

TIME: 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
ESTIMATES — IDUSTRY AND COMMERCE

MR. CHAIRMAN: Order please. We have a quorum, gentlemen; the Committee will come to order. I would direct the attention of honourable members to Page 40 in their Estimates Book, the Department of Industry and Commerce, Resolution 77 Manitoba Housing and Renewal Corporation (a) General Programs. The Honourable Member for Sturgeon Creek had the floor when we adjourned.

MR. F. JOHNSTON: Mr. Chairman, I was discussing with the Minister before the supper break the costs involved which the Provincial Auditor had brought forward which he says are costing the people of Manitoba money because of the lack of control over the housing authorities that are set up. And the Minister's answer was, I thank him for it, but when he was giving the answer, he also stated that one of the reasons for having the problems was the tremendous expansion and the amount of work that is going on.

Now, Mr. Chairman, the tremendous expansion is all very nice. We are all very happy to see the housing units in Manitoba but at the expense of the people of Manitoba because of bad management, that is something that we can't really look forward to. Possibly we should have taken steps a little bit slower. We are now dealing with a situation of a tremendous amount of money and I have said that before.

In the annual report we are now looking at a situation where the subsidy for the Province of Manitoba at the present time is \$5,000,648 and that is an increase of 59 percent over last year. The Federal Government's input into that particular amount of money, that particular subsidy, is \$5,551,210, which is 57.1 percent over last year. That gives us a total of \$11,199,212, which is 58 percent over the previous year which was \$7 million. These figures are out of the report.

A very interesting part of that, Mr. Chairman, is in 1968 the Manitoba government spent \$10,000 in subsidies; in 1969 they spent \$13,000, up 30 percent; in 1970 they spent \$50,000, a 274 percent increase; in 1971 they spent \$45,000, a 10 percent increase, for a total of \$120,000 subsidy; in 1972, \$75,000 subsidy, 65 percent increase over the previous year; in 1973, \$718,446, 853 percent increase over the previous year.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Excuse me, Mr. Chairman. Just for my own edification, which report is the honourable member reading from? Are you reading from this annual report?

MR. F. JOHNSTON: The figures from this annual report are

MR. EVANS: Are you reading last year's annual report?

MR. F. JOHNSTON: No, I am reading figures that have been taken from annual reports over the years on subsidies which have been over the years with MHRC and if you want to turn to Page 43, under (6), that's \$5,648,000 for the year ending March 31st, 1976 shown on Exhibit B, and \$5,551,210 of the Central Mortgage and Housing, bringing it to a total of \$11 million in total subsidy in Manitoba. I have been giving figures of the increases over the past years. In 1972 I said it was \$75,000; in 1973 it was \$718,000, which was an increase of 853 percent; in 1974 it was \$2,195,110, an increase of 205 percent over the previous year; in 1975 it was \$3,552,230, 61 percent over the last year, closer to 62; and this year we have an increase of 59 percent over last year.

Now we are getting into an awful lot of . . . people of Manitoba's money. Our share of that \$11 million is, as I said, \$5,648,000.00. Our maintenance costs are growing every day. We have an increase in office accommodation and renovations, according to the report, from 1975 to 1976, from \$50,000 to \$170,673.00. Now, Mr. Chairman, we are not talking about peanuts in this corporation. We are talking a lot of money and we should be talking organized management. As far back as 1973 the MHRC commissioned a report which told them completely about their management. It suggested a set-up and one of them was that the set-up should be that they have within their organization architectural and construction people, everything that is involved, that they come forward with plans yearly and put them before the Cabinet and put them on . . . Why this operation doesn't have a five-year plan that it has stuck by, I will never know. Mr. Chairman, when the Minister says to me that because we grow fast, we can excuse wasteful practices, it is just not going to wash .

MR. EVANS: Mr. Chairman, if the honourable member is finished for the moment, first of all I want to reiterate the statement I made this afternoon, and that is that reference to losses on operations of the Churchill Housing Authority, the \$932,144, that is, I repeat, the rental subsidy. It is simply the difference between operating those units, paying the mortgage, the interest on the mortgage, the taxes, the utilities, the maintenance, etc., all these costs minus the rents collected. The rents collected are geared to income and the usual limit is 25 percent of gross income. Now this is in

accordance with the CMHC regulations, provisions of the National Housing Act, and it is the same formula that is used right across Canada where such a program applies. And as the honourable member correctly observed in his references to \$5.6 million and \$5.5 million, these are the 50-50 cost-sharing subsidies.

But it is because of these subsidies that we are able to offer senior citizens and those families on modest incomes rents that they can afford and it is with these subsidies that we are able to provide shelter for senior citizens to live in dignity and comfort, I would submit, Mr. Chairman. It is because of these subsidies that we enable many hundreds and hundreds of families in Manitoba to bring up their children in decent surroundings where they may not be able to do otherwise. And obviously these rental increases will increase, these subsidies will increase, as the number of housing units completed in the province increases. As I indicated last year we added approximately 2,000 units and if we are on target this year we may be close to another 2,000 units. Back in 1975 we had approximately 8,000 units under subsidy; in 1976 we had 10,500 units under the subsidy program and in 1977 we expect to have 14,880 units under the subsidy program.

I just want to point out the difference between the units under the subsidy program and the units that are constructed and that is this, that many senior citizens' accommodations that were built under, I guess it is the Elderly and Infirm Housing provisions of another Act, where these were structures built in the Sixties by various agencies in the province — the Legion, the Kiwanis, the Kinsmen, etc. We have a program, again with the co-operation of CMHC, whereby we will provide rent supplements for people who are eligible in accordance with income limitations, who are eligible because they are on low pensions, relatively low pensions that I use this other term.

So as I said, we have now 14,880 units under the subsidy program and it is because of this increase that you're going to get an increase in the actual amount of subsidy dollars paid out. And, of course, in addition to that the cost of building housing has increased very significantly and of course the cost of utilities. The cost of heat, in particular, energy costs in particular have sky control. Whereas rocketed and this is beyond our rents are still 25 percent of the gross income of the family or the senior citizen couple or senior citizen individual, whatever the case may be.

MR. F. JOHNSTON: Mr. Chairman, I thank the Minister again and I would like to remind him right now that I'm well aware of what the objective of the Manitoba Housing and Renewal Corporation is. I think that I can say with all honesty over the past years, when the Estimates have been up, we have accepted them on this side of the House. We have passed them very fast for that matter of fact because we are aware of what that work is that is being done. But, what I said earlier, the fast growth is something that maybe just has to be looked at from a different organizational structure within that housing corporation to start having a better control of the money.

Mr. Chairman, I would like to ask on the report on Page 23, and I note that the same type of a run-down was given in the previous report and I'd like to ask the reason for it. You show the number of units that were put on stream in 1976, 1,948, but the run-down at the top, Public Housing Program is headed Subsidized Rent or Location of Units in 1975. In the 1974 report we had Locations of Units; in the 1975 report we had Locations of Units in 1974. Why don't we have a run-down of the units that were put in place in 1976, that are either constructed, purchased or presently being built?

MR. EVANS: Yes, the reason, I'm advised, is that this is an Annual Report for the year ended March 31st, 1976, but I see your point. The lower table, you're saying, goes up to what is referred to as 1976. That's the calendar year, yes, although it's . . . I am advised, Mr. Chairman, that there is a difference. One is the calendar year and the other is the fiscal year. So, as is indicated at the top according to the calendar year 1975 and this is a report for the year ending March 31st, 1976. So that's the nearest calendar year.

MR. F. JOHNSTON: Is the information not available as to the 1,948 units that have been built in 1976 as to location, the way they are shown here. I would accept the Minister's answer that the fiscal year is over a year away and the calendar year is only four months away. But four months . . . we should be able to know at least what was being put in place or being constructed in 1976.

MR. EVANS: Yes, Mr. Chairman, I do have the listings of all of these projects that have been committed. I can read them to you. It's rather a lengthy list but . . .

MR. he would F. JOHNSTON: If the Minister has a list and to give it to the House tomorrow, that would be fine.

MR. EVANS: Okay, we can get a copy of this for you. Mr. Chairman, I can endeavour to get a run-down so the honourable member can make his comparisons with the report as shown on Page 23.

MR. F. JOHNSTON: Mr. Chairman, in the format of the organizational chart we have Architectural and Construction. What staff does the Corporation have at the present time regarding an architectural staff?

MR. EVANS: There are two people who are professionally trained as architects, Mr. Chairman. 8

MR. Corporation, F. JOHNSTON: So two people in this size of a that means that most of the architectural work is contracted before the . . .

MR. EVANS: Yes. We're a good customer of many architects in Manitoba.

MR. F. JOHNSTON: Well, Mr. Chairman, I would like to think the architectural department of the MHRC would be large enough to put the type of plans and everything on paper as to what they want and contract it out to the architects. On that basis, are those the only two people within the Corporation, after this has all been laid down and architects are drawing up plans, that would be responsible for any change?

MR. EVANS: No, we have a number of people with technical backgrounds and some with considerable experience in the construction industry. We have a lot of people who have had extensive practical experience in building various kinds of structures so these are the people in the construction division and they are involved in a lot of the detail follow-up in checking the quality of construction and overseeing the fulfillment of the plans. I am reminded that in addition to this we have CMHC inspection staff who are concerned, of course about the quality of construction because they are our bankers.

MR. F. JOHNSTON: In other words, Mr. Chairman, then the people in the construction department also have a responsibility or have the authority to change plans at any time.

MR. EVANS: There are various procedures, Mr. Chairman, that the corporation staff follow and of course it depends on how serious the various changes are, but if there is anything of a major work order change this may come right up to the Board level, depending, but a number of items are decided by the Director of the Development Division.

MR. F. JOHNSTON: Mr. Chairman, in the Midland Project in the core of Winnipeg at the present time, and I think I may have the wrong name, but where the Midland Railway was, how often were those plans changed, if they were changed? How long did it take to finally get the plans that are presently there, that are being constructed at the present time?

MR. EVANS: Mr. Chairman, I wonder if the honourable member is talking about site planning in the Midland area, because the Midland area I can advise is one of the neighbourhood improvement areas, NIP, the neighbourhood improvement program, and that program is a tri-level government administrative responsibility or at least financing. It also includes involvement of the local community and there is a local community co-ordinator and the people living in an area are supposed to make an input, and this is how it has been working in the various NIP areas in the City of Winnipeg, and the City of Brandon, and so on. At any rate that may be a cause for some slow procedures generally. I understand there is some site planning delays but in terms of the actual first 36 units that were to be built we had some difficulties with the private architect.

MR. F. JOHNSTON: Mr. Chairman, on looking at that particular project I quite frankly think the imagination for a new type of public housing in that particular project is lacking, because we have just really built sort of what the Minister earlier said was undesirable, sort of a straight row type of housing where the actual planning of a unit of living accommodation, for children to play in, as the Minister has said, is just not there as far as having a landscape project with playing areas and everything, etc.

Who finally made that decision? Was it the city, the corporation or the Federal Government?

MR. EVANS: I'm advised that the city did the site planning.

MR. F. JOHNSTON: How much money is the city putting into it?

MR. EVANS: The city makes no payment towards the construction of the housing. The city's input is with regard to infrastructure — water, sewer, roads, etc., that type of thing.

MR. F. JOHNSTON: Mr. Chairman, the roads and infrastructure, at least the water and sewer, have been there for years but the actual plan of that particular unit, as far as I can say, has not got the type of planning that the Minister talked about earlier or the previous Minister, in speeches that he made regarding public housing being a type of an area that was healthy to good family living and atmosphere as far as new housing is concerned.

Now, I ask those questions because I can tell you that I have reason to believe, let's put it that way, that there were plans laid down that were of much nicer type of a construction for that area and they were changed on nearly two occasions to what they are now, and what they are now wasn't as good as what was planned.

MR. EVANS: Well, in the first instance, we had a certain land site available for this construction, so that offers the first constraint. But we build the housing and we retain the architects so I guess we have to take the responsibility. One of the problems of course is this very question the honourable member raised earlier, and that is the cost of being involved in public housing and indeed it is a very great cost. One of the reasons you will see changes made, perhaps more than once, is because the cost comes in too high. I'm not that familiar with this particular project that the Member for Sturgeon Creek is now discussing but quite often my experience, my limited experience, indicates to me that we have often had to change plans because the costs simply come in too high.

I can also advise the member, Mr. Chairman, that the total project is not completed. This is only an early phase of it, Phase I, and additional land is now being cleared and the plan that we are working with will include a walking area and a park area as well. I understand that there is the Centennial Park across the street as well.

I'm just going to ask the staff how many units are planned in total for that area. There's an additional 100 units planned for that area.

MR. F. JOHNSTON: Mr. Chairman, the planning of this area, I have had an answer from the Minister — I would like to say the particular planning of the new housing construction in this particular area is one that is going to set the trend to change or help change the downtown core area of Winnipeg, which is something that is desirable as I'm sure everybody here agrees with.

So the concern we have regarding the planning of that area, which I'm sure will hopefully go to renewal of the surrounding area, is such that people will want to upgrade and make the area different and not such that we just create another living standard that we have at the present time. You're talking about 100 units, I don't know exactly how many are there now, but we're talking a lot of units and the influence on how that area is going to develop from here is going to be very much related as to what is put in there at the present time.

MR. EVANS: Mr. Chairman, I want to assure the honourable member again that this is a Neighbourhood Improvement Program area and therefore you have involvement of Central Mortgage and Housing Corporation, you have involvement of the City Government, you also have of course involvement of our own Manitoba Housing staff, but in addition you have involvement of the citizens. There are citizens committees set up and there is a great deal of consultation and a great deal of negotiation, a great deal of discussion, and a great deal of thought that goes into this, I'm advised. Now, whether what comes out is satisfactory from an aesthetic point of view or from whatever point of view perhaps can be debated, but there is involvement of the local people who are living in the area and as I indicated earlier, we had to work on this particular — the first set of houses being constructed, the first batch — we had to work within an area that was delimited, in effect, by the city. In effect the site plan was given to us and we had to work with it the best way we knew how, providing hopefully adequate housing but also at reasonably low cost levels.

MR. F. JOHNSTON: Yes, Mr. Chairman, I wonder if the Minister could now tell me about or give me an answer regarding the office accommodations and renovations that in 1975 were \$50,000 and in 1976 are \$170,000.00?

MR. EVANS: Could the honourable member refer me to the page?

MR. F. JOHNSTON: Page 39.

MR. EVANS: I'm advised, Mr. Chairman, that the Development Division which is located, I guess, in the Paris Building, in an older building . . . there had to be some renovations of the office space to simply accommodate the increasing staff there. Also, this includes the rents for the office as well those renovations: I would invite the honourable member to visit our office in the Paris Building and you will see the accommodations are most modest.

MR. F. JOHNSTON: You say the rent is in that particular figure. Did I catch the Minister correctly?

MR. EVANS: That is correct. I should also mention, Mr. Chairman, that offices in Dauphin and Brandon and Thompson — payments for accommodation in those cities — these are the Co-ordinators, the Housing Authority Co-ordinators that the we were discussing earlier today, also local construction supervisors require office accommodations and so this includes all of that, not simply the Paris Building. At 165 Garry Street there is some staff.

MR. F. JOHNSTON: Mr. Chairman, the projection for 1976 for senior citizens housing under Section 5 of a report — I don't know what this is really called — it's called Organizational Chart on the front, Manitoba Housing and Renewal Corporation, Program Information, PSF 161. In that particular thing it says the target is to reach a level — this is on 5(b) of that particular — "The target is to reach at least a level of five percent of the population over six years. This level has already been reached for Winnipeg therefore allocation of additional units is determined accordingly to the evaluation of the specific needs of groups in areas which are underserved. It is estimated that a level of saturation could be reached within a few years of this program."

Then, Section (c), "The reason for a decrease in the target form of 500 units in 1974-75 program to be proposed, to a proposed target of 200 units for 1975-76 program is explained by the level of service already achieved in Winnipeg. Possibly saturation, despite the waiting list of 800 in Winnipeg, should be envisaged for this program."

And your plans for 200 units in 1976 for elderly housing climbed, according to your report, to 824 units of elderly housing. Where the estimate was for 1,000 units of family housing, it dropped to 694 or 700. Is there any reason for the decision to not proceed with the family housing as planned and change to the elderly housing increase?

MR. EVANS: Yes, Mr. Chairman, there is a relatively straightforward explanation for that, and that is that we have had considerable zoning difficulties in the City of Winnipeg. It's been difficult to get properly zoned land for family accommodation. It seems to be easy to get properly zoned land for senior citizens accommodation, but in the City of Winnipeg when it comes to family public housing, it seems to be in a different category and we have not been as successful.

As I have been reminded here, Mr. Chairman, everybody seems to be in favour of family public

housing except don't put it in my block sort of thing.

Mr. Chairman, I might add that the attitude is strikingly different outside of the City of Winnipeg. The towns and cities in Manitoba have been very pleased and the community councils throughout Manitoba have been very co-operative in assisting the corporation to obtain land for the location of family accommodation — it's like day and night.

MR. F. JOHNSTON: Mr. Chairman, I'm looking at a request, this is the Southam Building Report . . . "Manitoba Housing and Renewal Corporation, (and the address). The Manitoba Housing and Renewal Corporation wishes to provide dwelling units for families of a moderate and low income within the Metropolitan area of Greater Winnipeg. The object of the Call for Proposal is to find competent organizations that can provide comprehensive managerial control of all aspects of housing development from the provision of the suitable land to the completion of construction." etc., etc.

It says, "The proponent must also be available to provide site or sites appropriately zoned and propose suitable development to be erected thereon. Developments may be for any number of units but must not exceed 100 and may be on a single site or scattered sites. Instructions to proponents can be obtained . . ." etc., etc.

There is nothing in your advertising, which I have copies of here as well, that says whether it's family or elderly citizens. You are asking for proposal calls and the people that have properties and make proposals on those particular pieces of property, I would say, are having the habit of adding elderly housing to them which would in turn bring the price per unit or the rest of land per unit down. The number of senior citizens housing that you are getting in these proposal calls compared to single family dwellings is not what you were looking for in your proposals for 1976.

There is nothing in your ads that suggests — in fact you do suggest "for families." Now, I have seen some of the proposal calls and the ones that have ended up . . . the listings are all very public, you can find them anywhere at all, the pricing and anything at all. You can see the number that people quoted on, the number of units, the land that they are on, and we are ending up with many more senior citizens housings on these pieces of property than we are single family dwellings or family dwellings and that's not the way we wanted to go.

MR. EVANS: Well, it is true they were mixed proposal calls, and as the honourable member knows, we receive many proposals and the board and staff of course then pick and choose and decide and so on. It is true that some elderly persons accommodations were constructed in this way but I would say that unfortunately, in regard to the family accommodation, we have still had to rely more heavily on the proposal call for family-type construction.

The other point is of course the matter of attempting to fulfill a program in a given limited period of time and there never seems — time is always of the essence, Mr. Chairman. I would say that ideally we would prefer not to have to use the proposal call whatsoever. Ideally we would like to not have to go that way, but our experience has been that on the average costs that have come out of the proposal calls, compared to the average costs of the conventional tendering system, that the costs under the proposal call on the average were slightly lower than the average costs in the conventional tendering system method.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: I just didn't get that. The costs are lower in the proposal call system?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: I'm sorry. I didn't hear the last question.

MR. F. JOHNSTON: Did the Minister say the costs are lower in the proposal call system?

MR. EVANS: Yes. I believe it was for the last year that we calculated these — I think it's for the last year, for the last two years. We compare the averages, an average of the all up costs, that's land and building, everything, per square foot was \$34.76 per square foot and during the same period, we paid \$36.62 all up costs per square foot for projects tendered on the MHRC, tendered in the normal manner. But there is a comparison of \$34.76 proposal call versus \$36.62 versus the tendering procedure.

I would explain, Mr. Chairman, that there is some differential between what may be planned for a year and what may be shown as actually under construction for a year, because sometimes for various reasons plans are not finalized, they are not approved by CMHC etc., for whatever reason and there's carry-over and in 1976 we had 334 elderly persons units that were built but were carried over from the 1975 commitments.

MR. F. JOHNSTON: How many was that again, Mr. Chairman? What was that figure again, Mr. Chairman?

MR. EVANS: There were 334 elderly persons housing units carried over from 1975. They were built in 1976 based on 1975 financial authority from CMHC.

Mr. Chairman, I can also advise the honourable member and members of the committee that of the 27 approved projects for the last two years in the proposal call area, that is these are strictly proposal calls that I am talking about, there were 27 approved projects providing accommodation for

988 families in Winnipeg and we also provided for 597 senior citizens apartments — that's suites or units. So considerably more has been built for family accommodation using that method than for senior citizens.

MR. F. JOHNSTON: Mr. Chairman, the Nassau Square Project that is shown in the report here as coming on stream. Construction of Nassau Square is expected to be completed in the summer of 1977. Sixty units of the 95 townhouse development are now occupied. The advertisements through the Real Estate Board show that there were approximately 34 units that were for sale in January of this year and in the Real Estate Board multiple listing, weekly active list of April 6, 1977, show, according to my calculations, still show 33 on the market. These houses are listing for \$39,000 or \$40,000 and these are outright sales, according to what I read here. Do these particular units come under any AHOP program or anything like that?

MR. EVANS: Yes, a percentage of them were under the AHOP program and I am advised all of those have been sold.

MR. F. JOHNSTON: They are all sold now?

MR. EVANS: No. All of those that were under the AHOP program.

MR. F. JOHNSTON: So there are some that aren't . . . The AHOP program, I would submit, is about \$38,500 and these units that I'm speaking of here are pretty well all over that price so I would imagine they don't come under the program.

MR. EVANS: I am advised there were \$33,000 a unit when they were built — the AHOP maximum. But I should advise, of the 60 units that is referred to here, 40 are sold and 20 are rented.

MR. F. JOHNSTON: Mr. Chairman, according to this they were still on the active list as of April 6, 1977.

MR. EVANS: Yeah. Thirty-five for sale.

MR. F. JOHNSTON: There is still 35 for sale?

MR. EVANS: Yes.

MR. F. JOHNSTON: I might ask now how do you contract to have the particular Real Estate agent that you have handling this?

MR. EVANS: As I recall, there were several proposals received from various Real Estate firms — six. The staff and then subsequently the board reviewed these proposals and made a selection of one of these realty companies, based on elements of their proposal, and what they thought they could do, the terms under which they thought they could sell them, etc.

MR. F. JOHNSTON: Mr. Chairman, the Select Home Realty people, from what I have from making calls, the sales people have been told that the units are not covered under any CMHC plan. Now, if they are covered under any CMHC plan, you know, are we building units that are just not able to get grants from CMHC as far as the housing is concerned or as far as the occupants are concerned. These particular Real Estate reports, this particular one, No. 12 Nassau Square, contemporary townhouse — or pardon me, 18 . . . Street, Fort Rouge, is on the market for \$41,894 as a firm price listed here. You are going to have to pay the mortgage at the Royal Bank which would amount to \$39,799 at 10 percent interest and principal and interest would be \$356 a month, five years amortization, under 25 years. This does not seem to be housing that is going to help people of the low income area where your own studies say you are aiming at the \$6,000 a year person to have a roof over their head. These particular houses certainly don't propose to be that kind of construction.

MR. EVANS: Mr. Chairman, this project was a mixed intergrated development. In other words, there were some suites in here that are of the, what you may describe as the normal commercial variety, not built, not designed for low income people. The object of this particular project was to build a series of suites or accommodations that was of a mixed integrated nature.

Incidentally, when you say they are not CMHC mortgages, they are NHA approved mortgages, so that the interest rates are no different whether it's a CMHC direct loan or an NHA approved lender loan. I wondered whether the honourable member was aware of this or whether there was some point he was making that I wasn't aware of.

MR. F. JOHNSTON: No, I am aware of that. But, Mr. Chairman, I really have no great arguments with the fact that we are building housing that is going to encompass all areas of people, but the Minister now tells me that the MHRC is building houses that are not, or several houses, that are not designed to take care of low income people. I really can't understand why that would happen in any way, shape, or form because that is the basic function of the Manitoba Housing and Renewal Corporation. Are they now expanding themselves into the house building market for anybody with a million dollars to be able to go up and buy a house from?

MR. EVANS: This particular site was too large to have it simply a homogeneous low income project. We didn't want to build a ghetto-wise type project of this size and so therefore it was decided and thought wise to have a project with suites, rather with accommodations for various income groups. I would point out that those that are built have four people in the middle income range. Of course, they are full recovery. They are paying the full, or they are being asked to pay the full commercial price. There's no subsidy involved for that particular group.

MR. F. JOHNSTON: Mr. Chairman, what studies did the Manitoba Housing and Renewal Corporation use to decide to build that type of housing? Mr. Chairman, the person that is going to spend that kind of money on a house is not going to live in a, quite frankly I think the worst looking architecture I've ever seen in my life, and they are going to go out and find a single family home somewhere else. I really, you know, you have built a type of unit in here that, well I may eat my words, but I think they are going to be very hard to sell and they're not really doing what MHRC is setting out to do.

MR. EVANS: I can advise the honourable member that the Corporation retained the services of a marketing consultant as part of its planning of this particular project. I might also advise that some of the units being offered for sale are as low as \$27,800 — oh, I'm sorry, those are all sold. Some of them were as low as \$27,800, those have been sold. I might add that the AHOP limit was \$33,000 at the time of the loan commitment being made, although the AHOP limit has now been increased to \$38,500. But that new limit doesn't qualify — it cannot be applied to previous commitments apparently, so we're stuck with the \$33,000 limit.

MR. F. JOHNSTON: Mr. Chairman, the target population needs under your public housing in Winnipeg, for your plans, the target is determined by the population with the annual income of less than \$6,000 and which does not have adequate or pays a large share of their income toward housing. No family should pay more than 25 percent for housing. The need is increasing because of the inflammatory, inflationary trend in the housing prices and I still submit you are not building to help the people that are needing housing in this province, when there is going to have to be a monthly pay out of three hundred and some odd dollars per month to live in these houses. I really don't think you're even getting at the middle income market when you're getting into that high a structure.

MR. EVANS: I would also add, Mr. Chairman, that one of the reasons our costs tended to be higher than we had hoped they would be in the first place, is that we were delayed on this project for three years by the city and in the meantime costs rose.

MR. F. JOHNSTON: Mr. Chairman, this is not in the report of the Auditor again and I must say, this does not come under city it comes under Rural and Native Housing Programs and it was also reported in the paper after it came out, the difference in the actual costs, between the actual and the estimate costs of these 20 units is approximately \$232,000 or \$11,600 per unit. Now that is, you know, that just says to me that there is something wrong with the estimating or the studying going on within MHRC.

Now, everybody knows there is an inflationary trend every year, yet we go ahead and we get ourselves into positions where we are tied up with these houses on market in a doubtful, very doubtful position as to whether they're a saleable unit or not and the proof in here is that the studies that are being made regarding the type of work that MHRC is going into, which is to help people in the \$6,000 area, is just not being accomplished.

MR. EVANS: Well, I don't know how the honourable member can make that observation because I would suggest that 95 percent of what we've constructed for families is for those in the very low income categories and, of course, everything that we've constructed for senior citizens to date are those senior citizens who are in the greatest need. Having said that, I think though that the, it's unfortunate but it's a fact of inflation that we are now experiencing, that even those in the lower middle income categories are finding it difficult to afford housing and therefore we are moving, and have been moving towards programs to assist those people in the middle income brackets, perhaps on the low end of the scale, to obtain their own housing and I'm referring particularly to the proposals to develop a sub-division in the northwestern area of Winnipeg, in the Inkster Boulevard area, and we're hoping that we will be able to assist families purchase their own homes. These are not the people in the lowest income categories, but there are still people who are Manitoba citizens who are having a difficult time in purchasing and acquiring their own home. So it's unfortunate but it is the fact that even given the various federal and provincial subsidy programs that are available and all the other tax incentives, etc., that are available to developers, it is still very difficult and becoming increasingly difficult for people with what may be considered to be rather reasonable incomes to qualify. As a matter of fact you cannot qualify I understand for an NHA loan if your annual income is less than \$15,000 per annum, this is the gross income. That's a fair amount of money. If you are under \$15,000 per annum — that's your family gross income — you cannot qualify for an NHA loan. You cannot go out and borrow from an approved lender or directly from CMHC for a home for yourself and your family. And when you get up to \$15,000 you are therefore excluding about 70 percent of the population, or 70 percent of the families.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, why does not the Manitoba Housing and Renewal Corporation have a real property department that would go out under the direction of a director and do surveys in the City of Winnipeg? If these properties are available for somebody to submit proposal calls on, the MHRC and the Minister keeps referring back to what they've done since 1969 and that's a few years now, why shouldn't they, why haven't they set up a program of being able to locate and

purchase land within this city so that they can have a plan to go ahead with their building programs from year to year and be able to walk up to the Committee of Cabinet which they seem to have to be responsible to and say that we have acquired land in certain areas within the City of Winnipeg and the papers stated not too long ago that the City of Winnipeg has an abundance or around 3,000 particular lots that are available for living on, why hasn't it been set up for the Manitoba Housing Renewal Corporation to purchase lands within the City of Winnipeg, whether they're on streets or — pardon me — or maybe they will have to do just a little tearing down to get them, but to pick an area, work with the city as far as the area is concerned and there will not be this continual conflict that you claim you have with the city and go ahead and purchase lands under your particular programs.

Why are we ending up in the proposal call business when we could very easily have a real department working with real estate people if you like to go out and purchase their own land?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, Mr. Chairman, I can advise the honourable member that — well first of all we have purchased a considerable amount of land in the city under the Land Banking Program, 3,500 acres. This is going to be useful in years ahead. But in terms of quick-start-sites, perhaps with particular reference to the Inner City of Winnipeg, very often we have had difficulties in acquiring the land at the market price. The fact is that we have to go through the Land Value Appraisal Commission and unfortunately what the market is demanding is not what we are getting approval for. So that's one problem. I've stated this publicly a few months ago, Mr. Chairman, that we have a difficulty here in not easily being able to get the approval by the Land Value Appraisal Commission for price levels for land which we consider to be reasonable and pretty well close to the market level. Well, that's one reason.

Another reason is that a considerable amount of land that you might want to obtain that looks pretty good, is not zoned adequately for the type of housing that you want to put on it and therefore there is difficulty in getting zoning. Now zoning sometimes of course can come about — a rezoning can come about — but that takes time.

But having said that I want to advise the honourable members that we are working with the City of Winnipeg. We have been obtaining lists of land sites that are available. We met with a committee of the City Council — I guess the sub-committee on housing, that's the Environment Committee — Councillor Galinchuk and Councillor Ken Wong and two or three other members of the committee plus some of the city staff. They are most co-operative and we have been getting assistance from the city with regard to properties that we might be able to acquire and particularly land that is owned by the city, we would like to be able to purchase that if it is suitable for housing.

We are stepping up land acquisition of suitable sites and hopefully that in a year or so from now we will be able to do what the honourable member says or suggests, and that is to go ahead with the land program of family and other accommodation using our own land enabling us to pursue some priorities and options of our own.

The staff reminds me, Mr. Chairman, that last year 334 of the elderly persons' units were built on land that we had acquired and 133 units of family housing were built on lots and sites that we had acquired in the City of Winnipeg. When we get out of the City of Winnipeg, Mr. Chairman, all of the projects that we have built on have been built on land that has been acquired, had been acquired or was previously acquired by the Manitoba Housing Corporation.

MR. F. JOHNSTON: Mr. Chairman, the 500 acres that are going to be developed for housing that was announced in the Throne Speech, are they presently within the city plans of growth as far as the city is concerned?

MR. EVANS: Yes, Mr. Chairman. The first phase of that was approved by the community committee — the Lord Selkirk Community Committee — just a matter of a couple of weeks ago I believe. Therefore we are rather optimistic that phase will be well on the way to reality to seeing construction later this year.

I was trying to find a sheet here that would give me some figures on exactly how many units we could be bringing in on the first phase, but I can't seem to find it here. I'm advised that there will be 700 lots in Phase I, and Underwood and McLellan are now doing the design work for us.

MR. F. JOHNSTON: Is there any estimate of how much per acre that this will cost? Has that been settled as yet?

MR. EVANS: Well, this is a very quick and very rough estimate subject to clarification — I'm advised between \$35,000 and \$40,000.

MR. F. JOHNSTON: How many houses per acre are you planning on that? Is it single family or mixed or what?

MR. EVANS: On the average six units to the acre. Those are preliminary estimates, Mr. Chairman' I'd like to reiterate.

MR. EVANS: Mr. Chairman, it would seem that a lot of the delays which the Minister and the — I won't say the corporation attributes to the problems with the city — are not quite as large as they are making out to be. Now the reason I say that is because I've never had anybody from the corporation really stand up and say that we're having all that much trouble with the city, but I certainly hear it said

in the House.

But it would seem that there has been a continual battle going on between two departments of this government, one being the MHRC and one the land purchasing department of the Provincial Government. I would ask you, is there any other housing authority in Canada that comes under the same procedures?

MR. EVANS: My staff advise me in the negative, Mr. Chairman.

MR. F. JOHNSTON: The city's involved in some examples I've been able to take a look at. Within the MHRC and within the Land Acquisition Branch of this province, these two departments within our government have been creating as many delays as the city might create.

Mr. Chairman, I am not going to advocate that MHRC should be cut loose with millions of dollars to go out and purchase wherever they like or when they like, but they are controlled first of all by the Land Acquisition Branch, then the Land Value and Appraisal Committee, then they come to the Committee of Cabinet, then the Treasury Branch approves it, and while all of this is going on there's nothing positive about an offer you made. The person could change his mind any time and apparently that has happened, throwing your whole plans out that you started with and went right up — I might say — the flue, and I would suggest that when that happens that you have found some land that you didn't end up getting and somebody else has got it and you end up paying for it through a proposal system when you should have got it yourself.

As a matter of fact the Land Valuation Committee accordingly sticks its nose where it shouldn't be. They don't really have the authority that they are pressuring as far as this housing corporation is concerned. In fact they have been advised when they have a piece of land that maybe they should look at something else which is none of their damn business. It's happened all the way through in the last four or five years or better. I don't blame MHRC for that and I don't really blame the Land Acquisition Branch for that particular situation. If the government or the Ministers of this province cannot clear up the situation that is costing the people of Manitoba money when we are trying to build houses for low income people, I'd suggest, Mr. Minister, that something should be done about it.

The procedures that the other people work under as far as housing is concerned are entirely different in other provinces and we have basically tied the hands of MHRC and I repeat — and I say this looking right at the director — I don't agree that you should be allowed to go out and just roll it out any way you like. But the problems of land ownership by this company, or this corporation, have been such that I would be willing to say — and I have nothing in the articles that I have before me or that I'm reading — that to say you have had to later go back and purchase under the proposal system the same land you were looking at — I don't know whether that's happened — but that's the reason you are in an awful lot of your problems.

Now, Mr. Minister, this is costing the people of Manitoba money. For the life of me — and it works a little differently when you're purchasing land outside the city, or large blocks of land or land banking — I know that there's a different formula there. It was set up back in 1974 I believe — the Treasury Branch — when the Ministers decided that they would do it a little differently then.

But what is the government going to do to make the system work better for the Manitoba Housing and Renewal Corporation?

MR. EVANS: Well the honourable member has made a number of statements that I myself have made. It is true that the corporation is suffering — if you want to use that term under a handicap which no other housing corporation in Canada seems to be — there are various checks and balances that have been put in place, but for a very good and very legitimate reasons. I don't think the honourable member would query those legitimate reasons.

MR. F. JOHNSTON: Mr. Chairman, the very legitimate reason is that there has to be some control over as to the programming of MHRC which I think that they should have the staff available within their organization to do a proper job of their programming and present it all to the government. All that seems to be happening right now, is the shotgun approach. All of a sudden the government says or the Ministers say, "We're going to take \$70 million or \$60 million this year. We're going out and we're going to build houses." There can be absolutely no planning whatsoever while — and the Minister says to me that he has said it before I have said it — and I know the Minister has not been in the portfolio that long, when is there going to be something done so there can be organized planning as far as this housing corporation is concerned?

MR. EVANS: Well, Mr. Chairman, we are attempting to plan as extensively as we possibly can given the parameters within which we must work. The honourable member refers to but one of those parameters and that is land. I would hasten to add that it is a difficulty for us particularly in the Inner City of Winnipeg, but in the City of Winnipeg generally, suitable sites for a quick start. This is not the case outside of the City of Winnipeg; it's not the same problem at all. In fact, there really isn't any problem or any substance in most communities outside of Winnipeg with respect to the acquisition of land.

But there are other parameters within which we must work in order to carry out some sort of a plan or a set of objectives, to achieve a set of objectives. Another major factor then is the amount of capital supply available from Central Housing and Mortgage Corporation, our banker. I want to make a point at this time that we have had excellent co-operation with CMHC and with the Federal Government but we do not always know how much capital we have available usually until March. Even at that point we don't have a final figure. The General Manager and myself met with the Honourable André Ouellet who is now the Minister in charge of CMHC, plus senior CMHC staff in Ottawa only a few weeks ago and we had encouraging conversations. But even then it was difficult for us to come away and say exactly how much money we could look at to develop various types of programs. We have had an indication of an initial allocation, but that is far short of the amount of moneys we would require for the type of program we are thinking of.

While I suppose there is some difficulty in planning in Winnipeg, nevertheless I think that we are doing very well in planning as well as we can in parts of Manitoba outside of Winnipeg. This is somewhat difficult, particularly for senior citizens housing, because just about every community wants a senior citizens apartment complex and those that have one would like a second one, and those that have a second often would like a third. We are under considerable pressure. Not a week goes by where we don't get some letter, some delegation, some request from a community in Manitoba to spend some money under this public housing sector for senior citizens accommodation. That is a difficulty in one sense, that the great expectations that people in these communities seem to have of the corporation. We are now telling them difficult. it's We are now telling them that we are going to do our very best to provide adequate accommodation according to formula throughout the province in a balanced way, but that some communities are going to have to wait and other communities may be just simply too small in which to put a senior citizens project which has a 50 year mortgage on it. Given the trends of population of that particular small community, one may not have that much confidence that there will be sufficient persons in that particular town or village. I'm talking about very small towns, let's say less than 300 people or less than 400 people where the growth rates are just not there, for whatever reason, technological change, etc.

Given this type of pressure apart, we are endeavouring to build in accordance with targets that we have established throughout the province. We have recently revised these targets and we have different levels depending on the size of the city or town and I'm hoping that this is acceptable and that it is the right type of investment decision to be made in terms of housing outside of Winnipeg.

While I might agree with a number of remarks made by my honourable friend from Sturgeon Creek, I don't think that the accomplishments to date are that bad, even in the City of Winnipeg. As I said, even with the proposal call we are getting an average price per square foot which is lower than the average price per square foot for the conventional tendering system — projects developed by the normal tendering system. Also, another point that I would make is that the price of land for these larger projects, at least, tend to be a very minor percentage of the total involved.

But I think that the past must speak for itself. The record is there. You need only drive around the city and see what is being built, what has been built, and what is in the process of being built, some of which is only a matter of a few blocks from this particular building in which we are this evening.

MR. F. JOHNSTON: My compliments to the Minister. We will get to the rural housing but I'm not about to get off the subject that I was on — the conflicts of MHRC and LAB and LVAC. One serious source of delay results from the members of the LVAC straining beyond their terms of reference into policy matters which one would normally expect to be the concern of MHRC. The LVAC has in the past delayed acquisitions by deliberately certifying a price too low to be acceptable to the owner and by postponing making the decision. In one instance, the LVAC felt that a price of land being bought for public housing was unsuitable because of smells from a nearby abattoir. That's, I believe, in Windsor Park. The LVAC certified a price below that agreed upon by the LAB and the members of the LVAC personally went looking in the area for another piece of land which did not have the smell, which was the prime concern of LVAC, but which was also cheaper so as to justify the LVAC's original low certification. Eventually another parcel of land was found and acquired but the project was delayed for many months. This latter source of delay arose from illegitimate policymaking by LVAC. The differing philosophy perspective of LVAC and the LAB on one hand and the MHRC on the other hand have led to other delays and obstructions of land acquisition, thus frustrating the MHRC programs.

For instance, the LVAC deciding on the suitability of land for public housing was not isolated. A former chairman of LVAC who disapproved of the practice estimated that over one half of the MHRC public houses cases coming before the commission were commended upon in this respect. In fact, an interview granted three years ago to a PPCC official, one member of the LVAC stated that such matters of pressure on available school facilities were considered in deciding upon the certification price for MHRC land acquisitions.

But this practice is wrong and a clear violation of the mandate of LVAC under the Land Acquisition Branch has been recognized by the current chairman of the LVAC. He has drawn up a set

of proposed new rules and procedures for the commission.

Now, Mr. Chairman, to keep blaming the city when there is a conflict between two departments of this government to get things done by the corporation as far as the purchasing of land is concerned, is something that the government, the Ministers, have to change as far as the procedures are concerned. I'm not blaming one or the other but the decisions are made in that room down there as to changing of Acts or possibly the Treasury Branch has the right to do it themselves, I'm not sure.

But, Mr. Chairman, I just cannot continue to listen to the fact that the people and the city are to blame for the many delays and the fooling around and wasting of people's time, their salaries that are paid to them, are running around on matters that could be eliminated by a decision of the government. Mr. Chairman, I think the Minister has to almost give a guarantee that that particular procedure is going to be looked at and eliminated and let the corporation get down to doing their work as they should, as a well organization corporation that does not have to depend on everybody else in this city. Sure, if we are going to have some controls over their money, let's have it, but not under these conditions.

MR. EVANS: Mr. Chairman, the honourable member cites instances, examples, etc., which I am not aware of. But at any rate I can advise the honourable member that LVAC were given directions by the government, very clear directions, to restrict itself to estimating land costs only and not to concern itself with the matters such as the suitability of the site. I think the honourable member made reference to that in one of his examples, whether a location was adequate or not. It was not to be their concern and I believe that that particular procedure has been corrected.

With regard to the matter of differences of views on appraisals of land values, I guess if you get two appraisers, you get two values; if you get three appraisers, you get three values; if you get four appraisers, you get four values. It's a subjective process. It's like, I suppose, painting a picture. If you get a landscape artist to paint you a picture of a particular landscape, you'll get one impression. If you get a second artist look at the same area, you'll get a somewhat different impression and on it goes. So there is a parallel here.

I can advise the honourable member, Mr. Chairman, that the government is concerned about this and is very actively looking at the matter.

MR. F. JOHNSTON: Mr. Chairman, I just would calmly repeat that the Land Acquisition Branch and the Land Valuation and Appraisal Committee apparently have been involved in many many delays, which is costly to the people of Manitoba. That particular legislation has to be looked at and I thank the Minister for telling me that he will.

But why is it allowed that the programs that are announced in the Legislature as to what MHRC is planning to do, are all of a sudden handicapped and hamstrung by this particular situation? I know the Minister has commented on it. I really don't ask for any more comment on it at this point, but I would say that we cannot live with two departments of government almost battling with one another at a cost to the people of Manitoba.

Mr. Chairman, one question that I neglected to ask on the report and I must say that there will be more questions. I have only had the supper hour to peruse it but in looking at the man hours of the corporation, how many employees do they presently have?

MR. EVANS: Mr. Chairman, the staff positions approved for 1976-77 total 99. These are the so-called regular staff positions. In addition to those 99, there are 33 contract employees, which therefore adds up to 132.

MR. F. JOHNSTON: Mr. Chairman, I just asked about the contract employees — do they range in all departments or are they for any specific departments?

MR. EVANS: Yes, you may find them in various departments but the tendency is to use the contract employees in the corporation for some types of work that may not be year round or may be of a temporary nature. For example, in the past we have hired inspectors for the Critical Home Repair Program which has had a certain seasonality fluctuation about it and it's been deemed advisable to use contracts rather than try to get permanent positions established.

We also tend to use a number of contract employees in the Rural and Native Housing Program. These may be people who are actually working on some form of housing construction, a carpenter or what have you.

MR. F. JOHNSTON: On Page 34 of the Estimates, Mr. Chairman, I'm looking at a new item in 1976 of \$672,000 — Churchill Propane Distribution System.

MR. EVANS: Page 34, did you say?

MR. JOHNSTON: Yes, Churchill Propane Distribution System, \$627,247.00. Is this a new type — are you changing the heating system?

MR. EVANS: I'm advised that a tank pipeline, a localized pipeline system was put in place to supply propane gas to the various housing units. Without going into too much detail, it was found that this would give us a lower price for energy than depending on the more conventional type of energy supply that was available in that particular community. It seems to be working rather well, I'm advised.

MR. F. JOHNSTON: Mr. Chairman, I'm quoting from an article in the Tribune of January 13th, 1977: "Native Housing Program of Malintentioned Errors is Evidence, " and I must say that I compliment the Minister on his very frank statements within this article about problems of cracking, nails pulling. Mr. Chairman, who is responsible for the supervision of construction in MHRC? In your tender proposal calls you say — the advertisement that I read, it states that the contractor must have the inspection and everything else. But all of a sudden we find that the houses which we have got a 50- year mortgage on don't look as if they are going to last fifty years, and I might say that I'm a little concerned about some of the type of construction we are getting in the proposal calls at the present time. Who in the department, and how large is the department as far as the construction inspection staff are concerned?

MR. EVANS: We have a construction group that is tied in as regular construction activities that the corporation is involved with, development and construction area. But the Rural and Native Housing comes under a different branch or section of the corporation, it's referred to as the Remote Housing Section, and they have their own construction supervisors, etc. I'm advised that these houses which are built in these remote communities are almost solely built with local labour, labour forces recruited, as much as possible, within the community or indeed within the region, and we have one general co-ordinator responsible for this program, and under that person we have three area supervisors. But as I said, the construction itself has been done as much as possible by local labour.

We also do some work in what we call local RTM plants, Ready-to-Move plants, where a home is in effect built and then moved onto a site. This is a particular program which is very ambitious in the sense that the idea is for the persons to be able to purchase these homes either in a 50-year mortgage period or a 25-year mortgage period. I want to make the point, however, that that article did not represent my considered views on this particular program, and I was rather annoyed at the article that resulted and in the way the interview came out. I did indicate that there were difficulties with the program, difficulties though in the nature of, as I said, perhaps we being a little too ambitious in the sense of hoping that we could easily transfer these titles to the various people who want to purchase them.

It's an excellent program on the surface, that is, with a small down payment a purchase can be made, and after 25 years of a payment, which is a very heavily subsidized payment, the individual or the family acquires full title to the property regardless of the amount of mortgage paid off providing they make the required payments over this period of time. But very often the people who live in these houses are in the traditional industries, fishing, trapping, fur trading, etc., whose incomes fluctuate, the people are having difficulty in finding sufficient moneys, not necessarily to pay the mortgage but to pay the heating cost as well as the mortgage and the interest on the mortgage.

So no matter how well-intentioned we are and the Federal Government is, because this is another Federal-Provincial program, and even though there is quite a subsidy, we have had some difficulties in this area because of the difficulties that those people have had in trying to meet the various payments required in providing themselves with energy, adequate heating, and at the same time making the mortgage payments.

I would say though and I spent several days on more than one occasion in Northern Manitoba and personally visited along with staff dozens of these units, although we had some difficulties with construction, I can say that as each generation of accommodation is put in place, there seemed to be considerable improvements, and over the few years the improvement is quite evident. I can advise that at the present time we are undertaking research particularly with regard to the humidity control problem, and also with regard to sewage disposal, so we are hoping that we can make even greater improvements as we go along.

But I want to make this very important point, that no matter matter how inadequate or no how many complaints we may get about some of these new units, I would invite the honourable member or any member of the House as a matter of fact, to go to some of these remote communities, to some of these areas, and see where these individuals lived before they got into these structures. As a matter of fact, quite often you will find that they are living in a very modest bungalow but behind this bungalow you'll find a smaller building, a shack which may house their boat, their equipment, their fishing equipment, what other belongings they may want to keep outside, or what have you, that they have acquired, and very often you'll find that these little shacks at the back of their bungalows were the very dwellings in which they resided prior to us constructing these remote units. So no matter how much one may wish to take pot shots, so to speak at the quality of the construction, I say that they are vastly superior to what some of these people had to live in before. It's like day and night, and I would say unequivocally, that the standard of living of the people in these communities has been raised enormously through this particular program. I make no apology for it, and as I say, the quality of the housing has improved, you can see that as well, and is being improved.

I would just conclude by noting the number of units that we have built under this program and I'm advised that it's approximately 800 units. In addition to that, Mr. Chairman, we are now putting some emphasis on construction of Elderly Person's Housing in remote areas under this particular

program, and I can elaborate on this if you wish.

I would also point out that we have now got an agreement with the Federal Government and primarily Central Mortgage and Housing Corporation whereby we share this particular Housing Program with an organization called RANHCOM, Rural and Native Housing Corporation of Manitoba, and the NACC, Northern Association of Community Councils, both of which act in effect as subsidiaries of CMHC. These two subsidiary organizations are now actively engaged also in developing remote housing in selected communities, and we are now intending to concentrate more on communities in Southern Manitoba where this program can also be applied, because as it says, it is a Rural Program as well as being a Native Program or a Northern Program.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON: Mr. Chairman, when you say that whoever moves into these houses the rent they pay is based on their income, and they are not to pay more than 25 percent of their income, there's also a clause in there where they can get locked in for a three-year period or is it a five-year period without an increase in rent?

MR. EVANS: One year. If you're talking about public housing — Mr. Chairman, the honourable member is talking about public housing for senior citizens?

A MEMBER: No.

MR. EVANS: Public housing in general?

A MEMBER: Yes.

MR. EVANS: They are one year contracts now.

A MEMBER: Just one year?

MR. EVANS: One year lease. They used to be two years.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Is it at the option of the tenant to renew it or does the Housing Corporation look at it each year and reassess his income?

MR. EVANS: Yes. It's mandatory and we look at it therefore each year. Normally speaking, people get higher incomes as the year goes by and, therefore, it's suggested . . . The normal procedure is for an adjustment once a year upwards because you're taking 25 percent presumably of a larger gross family income. But if any time during the year, due to some misfortune or what have you that there is a reduction in income, we're prepared to reduce the rent as soon as possible, within a month or within weeks in some cases.

MR. HENDERSON: So in other words it is something that protects the tenant more than it does the Housing Corporation.

MR. EVANS: I would say so, yes.

MR. HENDERSON: Does the Housing Corporation do anything in the way of checking on the income of these people to see that they are reporting their total income?

MR. EVANS: Yes, as I was explaining this afternoon, Mr. Chairman, Manitoba I guess is one of the few provinces in Canada where we have a vast decentralization of the administration of the properties. We have 104 local housing authorities, local boards that are appointed and, as I said, one-third nominated by the council and one-third chosen by election by the tenants. It is these boards, along with their managers or whatever, the accountants that they may hire, but essentially the board's responsibility to screen the tenants and to ensure that they meet all the criteria for being in public housing. It's their responsibility.

MR. HENDERSON: Yes, but while it's their responsibility they have certain guidelines that they can go by. Generally speaking, in the rural areas, it's supposed to be for working people but yet if one house is empty and there's somebody that's on welfare who wants to move in to that house, you pretty nearly have to accept them. Is that not so?

MR. EVANS: Among the general guidelines there is some reference to taking up to 25 percent of the units put in place, up to 25 percent being in the welfare category.

MR. HENDERSON: That's as they open. They can open with that many but if after awhile a couple of working people moved away and they were empty and there was more welfare people applied to go in, they cannot turn them down. Am I not right?

MR. EVANS: No. You're right, Mr. Chairman.

MR. HENDERSON: I am right, yes. Well, what is happening in some of the rural areas and I realize it's probably quite different to the city where you have a different value of houses and a different system of amount of rents you pay, but we find many people who get into these houses in the rural areas and the houses cost in the neighborhood of \$30,000 in the rural areas, that they are living in much better houses than all the people around them who are paying for them. And not only that now, we find these lower income people living in these houses but we also find welfare people moving in there and they are living in a lot better houses than the people around them. Just to use an example, our local bank manager was moved and he had what everybody figured was an average home in the town and it sold for \$11,700 and at the same time they were putting up low rental units at \$30,000 and welfare people were moving into them and low income groups. I see a place for low income groups

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and where they do need assistance, but I do see that this is really turning into a racket and when you look at the way your budget is going up on it, surely there should be a time, when you're putting this much into it each year, that you don't need it. Either that or you're going to have all government housing or, you know, a very large percentage of it after awhile. So I think that somewhere along the line we're moving into too much of providing government housing for people.

MR. EVANS: I just make a concluding comment if I might. Although we have built 11,000 or 12,000 units, this still only represents 5 percent of the total housing availability, the housing stock in the province and you do have some of these anomalies that you do refer to, Mr. Chairman. I just would remind the member though that we do have some other programs to help people who live in their own homes who may wish to repair them. The Critical Home Repair Program; we have a program on co-operative housing; we're now developing, as I said, a subdivision in north western Winnipeg and there are some other programs that are of help to those people who are not in this income group but are perhaps in a little higher income group, middle income groups.

MR. HENDERSON: I just have a few questions I should complete before you finish. What is your cost per square foot on your low rental housing?

MR. EVANS: Mr. Chairman, it varies quite considerably from area to area of the province and depending on the type of accommodation, whether you're talking about a single bungalow or whether you're talking about a four-plex or whether you're talking about a small apartment block, or what have you.

MR. HENDERSON: I'm talking about a single dwelling. Do you tender for them?

MR. EVANS: Oh yes. It is \$30.00 a square foot.

MR. HENDERSON: Thirty dollars a square foot. Well, my other remark is that in many cases I've seen low income people moving in who hadn't worked or else welfare people moving in who hadn't worked and had the name of looking for work and after the house was completed and they were ready to move in, they didn't let the person who was moving in clean it up even, they hired people and paid them about \$3.00 or whatever it is an hour to come to clean up the place while the welfare people didn't do a thing.

MR. EVANS: I am advised that if you're talking about a new building, a new structure, it's part of the contract. The contractor has the responsibility for cleaning it up, you know, before the first family moves in and that's a normal practice when you buy your own house.

MR. HENDERSON: Are you sure that's the responsibility of the contractor, because I was told by one of the people that was administering it that they were told to get somebody else to go in and clean it up, but it wasn't the contractor that told them.

MR. EVANS: Well, it is supposed to be part of the contract price. When the contractor is awarded the contract through the tendering process he is supposed to deliver a house that is livable, which means that it is cleaned up and ready to be moved into. That's the general rule and that's what we expect. If there's an exception to that, if you have any knowledge of some exception, you can advise us.

MR. CHAIRMAN: The Honourable Minister Agriculture.

MR. USKIW: Committee rise.

MR. CHAIRMAN: Committee rise and report.

ESTIMATES - CONTINUING EDUCATION

MR. CHAIRMAN: I refer honourable members to Page 16 of their Estimates Book and to the sheet that was distributed. Resolution 40(b) under Support Services — Internal, (1) Salaries — \$243,800. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, prior to the adjournment at 4:30 for Private Members' Hour this afternoon, we listened to the explanations of the Minister of Continuing Education and his further explanation of the Estimates as they are presented to us in written form. I'd like to thank the Minister for that explanation. I think again it was done in a methodical and detailed manner. No doubt, there will be one or two more explanations that we will want to request of the Minister, but at least we have been given a general overview of the activities of his department, including an explanation of the reason for the change of title of his Ministry. As we go through these Estimates, we will be referring to his remarks that he made this afternoon, as well as to those explanations that were given a year ago.

And one of the very first matters that, of course, is of primary and major significance to any discussion of the spending in this area of post-secondary education, is the arrangements which the Government of Manitoba had been able to complete with the Federal Government, to continue the fiscal arrangements following the termination of the previous Act on March 31st of this year. In the original address of the Minister a year ago, it was one of the first matters that he brought up, explaining that this was something that would be of urgent importance to his department and to his government in the next few months, to succeed in obtaining some kind of an agreement with the Federal Government that would, as nearly as possible, replace the expiring agreement.

Mr. Chairman, as the Minister explained the Act which has now expired provided that the Federal Government abate 4.357 points of personal income tax and one point of corporation income tax to the province. And that on completion of the year's activities there would be a balancing payment which would provide that the Federal Government would increase its share if necessary to 50 percent of the cost of post-secondary education. I hope that the Minister will be able to give us some idea of the agreement which now is in effect, and he might also, at that time, explain the amount of the balancing payment that was required under the previous Act in last year's operations. It will give us some idea of I think how closely the department was able to operate within the terms of the abatement of income tax and corporation tax.

I note too, Mr. Chairman, that there is a change in the first item, Support Services, and it would seem to be accounted for by the transference of the Parkland Project later under Community Colleges. I think that under Other Expenses, the Parkland Project was given to us last year. It's now under 5(e), so we will — (Interjection) — I see, 5(e), thank you. That will account for some of the major differences in expenditures in Item 1 — Support Services.

I would also like to give the Minister some advanced notice of the difficulty I had with the enrolment figures which he gave us this afternoon. Last year we had a fairly detailed explanation and accounting of the enrolment figures. They were based on full day-time students in one section, and evening enrolment in the other. And the figure which was given to me this afternoon for Red River Community College, if I heard it correctly, didn't seem to relate to the day-time enrolments at that school. I have a record of those that were given last year and the figure for 1976-1977 was 10,437 for Red River Community College. I understood the Minister to say this afternoon that the figure was something like 5,142. So obviously there is a different characterization of the enrolment figures. Perhaps we can get those on the same basis as last year in order to make it a more accurate comparison.

Mr. Chairman, the first item here aside from the Minister's salary deals with the Council of Education Ministers. I wonder if perhaps we could have some explanation of the number of meetings that were held by that Council during the past year, and if the Council in its deliberations gave some thought to the recurring mention of the Minister this afternoon to the projections of the future in post-secondary education and the likelihood of a declining enrolment. I wonder if the Ministers of Education at these Council meetings have grappled with these problems and whether or not there has been any attempt to project policy in respect to the post-secondary institutions which now exist and which may suffer from a declining enrolment during the next five years.

Mr. Chairman, these are some of the concerns we have relating to the first items. Others will be taken up as we reach the appropriate sections. But I think it would be helpful to the Committee if the Minister would deal with The Fiscal Arrangement Act. He may be under some restraints because of the nature of the Budget Address that will be given on Friday. But nevertheless it seems to me that it is germane to this discussion and it's important to our understanding of the Continuing Education Department's programs and their ability to fund them as they relate to the support and financial aid they get from Ottawa.

MR. CHAIRMAN: The Honourable Minister of Continuing Education and Manpower.

MR. HANUSCHAK: Mr. Chairman, in response to the first question put to me by the Honourable

Member for Brandon West with respect to The Fiscal Arrangements Act, it is true that the former Fiscal Arrangements Act has expired and the terms of conditions of payment will likely change. The details of that has not at this point in time been finalized by the Federal Government, but in the meantime, there has been a desire expressed by the Secretary of State to continue payments on the same basis as in the past, on a monthly basis, and then subject to reconciliation. At the end, in keeping with the terms with the philosophy of the new Act replacing the old, they ought not in any way be related to our education expenditures for post-secondary education. But in the interim, until such time as the details are worked out, I understand that it is the wish of the Federal Government to continue the existing practice.

The honourable member is quite correct. Under Support Services, the difference between last year and this year, if one takes last year's figure and adds to it the salary increment and the adjustment as per the collective agreement, plus 50 percent of the province's support for the Council of Ministers of Education, which in total is in the order of \$52 thousand, it's calculated on a *per capita* basis, adds that to last year's figure and subtracts the cost of the Parklands project and that gives us the figure that we have before us for the 1977-78 Estimates.

Insofar as the enrolment figures are concerned, I think about all I was trying to say in my opening remarks is that it is difficult just simply in a sentence or two to give any meaningful statistics, any meaningful data, with respect to enrolment because of the varied mix of students that we have, you know, full-time, part-time students taking a full year course, students taking a course on a full-time basis, that is on a full-time day-to-day basis but only extending for a period of a few weeks such as apprentices and so forth, and therefore I gave, you know, the snapshot photograph as of the state of affairs enrolment-wise as of March. However, as we proceed with the debate of my Estimates, I could give a more detailed analysis and breakdown of the enrolment. I would also like to draw the honourable members' attention to Page 42 within the 1966-67 Annual Report wherein is shown the enrolment and the various programs offered at the three community colleges.

But, here again, one must bear in mind that one evening school student isn't necessarily equal to one Industrial Technology Division student or Health Sciences Division student who attends classes for 25-30 hours a week or whatever it may be, whereas the evening school student may attend classes for four, five, six hours a week, depending upon the course he takes or the number of courses that he takes. But, when we move down to the Community Colleges Division — if I should forget, I hope the honourable member will remind me — I will give him a more detailed breakdown of those figures.

Now, with respect to the Council of Ministers of Education in Canada, it meets on the average of about three to four times a year, at least three times a year. I would say that over the five or six years that I have been its member, we probably averaged a little better than three meetings a year, it may have been about 3.2, 3.3, there may have been a few years when we may have had four meetings but as per the constitution, the by-laws of the council, I believe that we are committed to at least three meetings a year.

The honourable member asked whether the council has given any thought to projections of future enrolment and the impact and in particular the prospect of a declining enrolment and the implications of that. The answer is yes. It affects different provinces in different ways because on the one hand there is evidence of a declining enrolment insofar as the total enrolment is concerned but, at the same time, there is need for additional programs or for expansion or enrichment of existing programs to meet certain needs which may vary from province to province.

In view of the fact that enrolments are declining and in view of the fact that many of these needs are in somewhat specialized areas and in areas wherein there is not a need to turn out hundreds of graduates per year to meet the needs of any particular province, therefore, as I had mentioned in my opening remarks, there is an increasing trend toward a joint or co-operative arrangement inter-provincially for the offering of different courses. The two examples that come to mind are the Veterinary Science course which is offered at the University of Saskatchewan and the arrangement worked out with it is designed to meet the needs insofar as the supply of veterinarians in Manitoba is concerned through the facilities of that university and similarly, the agreement that we have with the University of Waterloo for seats in their School of Optometry for the training of optometrists for our province. This was done with that very purpose in mind that the number of optometrists that we require, the number of veterinarians that we require. . . Now it may be that insofar as the immediate need today is concerned that may be somewhat high but one cannot establish a school or a faculty just for a period of two or three or four years, one has to look at it a bit farther ahead and so to establish a viable faculty or a viable school it would have to be something somewhat larger than what we need to turn out the manpower which we require for those particular needs. Hence, the co-operative arrangement.

One other matter that is of concern to the Council of Ministers of Education, is even though the enrolment at our universities is tapering off somewhat or levelling off, nevertheless, the enrolment in our community colleges is growing and there too, within the various training areas which fall within the domain of the community colleges, there is evidence in certain specific areas of an increasing

need from province to province and hence the need, the desire on the part of the province to take the necessary steps to deal with that problem.

Now, in looking to our future needs in education, on a broader field inter-provincially and the Dominion of Canada as a whole, as the need arises Council of Ministers of the of Education does undertake the necessary research work to arm itself with the type of data and information it requires to make decisions of that kind through the secondment or the assignment of personnel from various provinces to service on certain particular assignments to provide the Ministers with the type of information that they want, that they require to make the type of decisions that they wish to make in relation to planning for the future.

MR. MCGILL: Mr. Chairman' in the explanation the Minister gave of the planning of the Council of Education Ministers, he noted that the co-operative courses were one area in which some maximum use of facilities could be achieved and a method by which unnecessary expansion of post-secondary facilities could be avoided. I presume that that same kind of thinking could apply within the province and that within our post-secondary institutions similar arrangements could be made and, no doubt, have been made. I understand that some co-operative arrangements are now in effect in the community colleges with respect to certain courses, heavy equipment operators and perhaps agricultural machinery maintenance mechanics and so on, so that certainly is one way in which the department can avoid the unnecessary expansion of individual facilities with the projections in mind that within the next five years there may well be some declines in enrolment.

Now, in that respect, the Minister gave me the impression that he expected this to occur in Universities but that he expected there would be a continuing increase in community colleges. Is it not likely that because of the declining enrolments now being experienced in the public school system that some declines will be experienced in both universities and community colleges and that projections for the future would no doubt provide advance planning for some reduction in the total enrolment in Red River and Assiniboine and Keewatin in due course. Now this may not appear as soon as the university declines are expected to appear, but nevertheless, I would think that proportionately they will become part of the problem. And Mr. Chairman, the community colleges are described in the report here as experiencing some maximum use of their facilities and I note that there are a number of courses that are oversubscribed and there are waiting lists for courses that are offered in the community colleges. Perhaps the Minister would indicate whether the holding of places in these courses is somewhat dictated by Manpower Planning, whether the maximum enrolment in courses at the community colleges in some instances being held at a certain level because they may be extremely popular; and at the same time there may be a limited demand for the graduates of these courses, as projected by your Manpower Planning Committee. I wonder if the Minister might explain that, and if we can assume that those courses which are now experiencing waiting lists are courses where Manpower Planning has said that there will be places for a certain number of graduates annually in these courses and therefore we cannot accept greater than the established enrolments. Perhaps the Minister would comment on that.

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Yes in response to the first question of the Honourable Member for Brandon West, is the same done locally as interprovincially in terms of making maximum use of existing facilities both human and otherwise, and avoiding duplication, the answer is yes. In fact this brings to mind a letter which I received not too long ago from the Brandon area asking me why a certain course is not being offered at Assiniboine Community College which is being offered at Red River. The only answer that I could give is because the demand for that particular course has never been great enough in the Brandon area to justify the offering of it but greater at Red River, and hence it's being offered here, and by the same token, there are courses being offered at Assiniboine Community College which are not offered at Red River, again with the aim to rationalize the most effective use of our resources and our Community College Program.

Now if I have left the honourable member with the impression that in speaking of the declining enrolment that I was thinking only of universities, the honourable member is quite correct that insofar as community college enrolment, perhaps from program to program, the enrolment does fluctuate somewhat. In some areas it shows some increase over the past while but in total, for example looking at the past two years and the projected enrolment for the year to come it's been fairly stable plus or minus 4 or 5 percent. For example the total enrolment in 1975-76 stood at 33,468, last year there was a drop by 2,400 or so, 2,500 to 30,930, and the anticipated enrolment for the 1977-78 fiscal year is 32,982. So spread that out over the three community colleges, over the various courses that are offered, one will probably find that the fluctuation in enrolment may not be all that great. In fact, in some of the courses wherein the enrolment may be fairly light, this may translate itself into a variation of no more than 1 or 2 students per year per class.

It is true that there are waiting lists, the Manpower Needs Committee attempts to assess the — as the title of the committee indicates — the manpower needs of the province, it attempts to forecast the economic development of the province and the manpower needs that it in turn will generate. And this

as I had indicated this afternoon is done by a joint committee of staffs from the Federal and Provincial Governments. Then of course the Federal Government, which is the main purchaser of the courses that we offer, it in turn is guided by its budgetary restraints, and it agrees to buy X number of places, which may be less than what we in fact, may predict that there is need for within the province. If the Federal Government offers to buy something a bit less than that, then of course, we have to gear ourselves accordingly in terms of staff, in terms of space. Therefore, one may have a waiting list from time to time which, I should also add is not uncommon in any school, in any educational program, wherein there is a ceiling on the enrolment that's admitted. One will find the same thing in Dentistry and Medicine at the university, and other faculties wherein there is a limited enrolment.

And then of course, in addition to that, there are sudden variations in the marketplace which occur, and which in turn have an impact on the appeal — on the popularity of various courses. If suddenly there should be a thrust of development and expansion in any particular area, in industry, which may attract people with certain type of training, that will immediately attract more students into that particular course. The community college cannot be flexible and elastic to that extent, to adjust itself practically overnight to accommodate whatever increased number of students should appear on our doorstep a month or two or three months from now, and hence there's a waiting list. In the long run, putting all things in a balance, perhaps it isn't all that bad that there is a waiting list from time to time, because in the long run, it may balance itself out. I must admit to the honourable member that I don't know which is worse, you know, we're all so concerned about training people and not finding jobs. Where today there might appear to be promise in a certain particular field of activity and people enrol and they train, by the time they complete their training course, or within a year or so after completion of it, they find that that area of industrial activity or whatever has waned somewhat and those people are out of work. Whether that's worse or whether it's worse to tell the student that "sorry fellow, but we can't admit you this year because we're filled up," and then if a year or so goes by and we find that the demand is still there, and there's some evidence that the demand shows some stability for some reasonable time to come, then of course, an appropriate expansion of the program will be offered.

And lastly, the fact that an applicant is not always to enrol in the course of his first choice isn't always necessarily all that tragic, because there have been many cases where a student may have selected one course as his first choice only to find that he could not enrol at the time he wished to enrol, and then he settles for a second or third choice, and it may have been a very wise selection that he made in settling for that second or third one, and one which perhaps he'd never live to regret. So one must say that in defence of the existing system as we have it, in other words that it's not all that gloomy or that bleak just because there happens to be a waiting list of some length.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, under this item I believe we can discuss such things as the local labour market, and the kind of surveys that the government is conducting or is not conducting and perhaps I can ask the Minister, I believe that there should be a requirement by some agency or government for local labour market survey to perhaps justify some of the vocational programs. In my opinion, I think, that there is not duplication, there should be a survey made in all divisions throughout the whole province, throughout the industries, and see what the requirement is, and I know part of the Manpower Assessment that's what it's supposed to be doing, and I wonder to what extent it is doing their job? Perhaps the Minister can tell us, I'm sure that it would indicate to him what are the training requirements in certain fields, and what is the demand in certain fields.

I know that the Minister has talked a little bit, but I wish he would continue the Adult Education Program, the development for those that perhaps left formal education some years ago and want to continue their education or pick it up years later, after they've had an opportunity to be in the labour force, make some money, and decide where they want to go. I think that should be encouraged instead of at this stage say we are going to curtail because the job opportunities are not there. The Minister has to realize as well that you know, in this day and age, that we will continually be training and retraining people, many unemployed people, and he's correct when he says that maybe a few years later that job opportunity isn't there' so the people will have to be retrained and it's probably better to retrain them than have them unemployed and collect Unemployment Insurance. It doesn't matter what way you are going to have it it's going to cost us money, so I think it's better to retrain than not to retrain. I think that as well, there's people that want to upgrade themselves, so the Minister has to be concerned of continuing courses, and continued vocational educational programs.

But, my concern is, what kind of assessment is made, because surely we find, even at the present time, I know one of the courses, it's the female Business Administration, two-year Business Administration Course at Red River Community College. It doesn't matter when you phone there and ask when they have their graduates, and your told that there's at least 400 applications for every graduate, and this demand has been there for the last four or five years or longer. So it appears that that's a good program, must be a good program because this is what the industry demands.

I know that I've had — one of the Members in the House has been asking about the Aircraft Mechanic Course at Red River — and I know I have enquired about a year ago to the Minister' and again I have people come to see me not only the instructors but the students as well. Maybe there's no need for that program, I don't know, but the first thing that I enquired and I said well, how many people that came out of this course last year or year before, how many have job opportunities and how many are working, and what kind of salary are they making? I was told that they are making in the neighborhood of an average \$17,000 - \$18,000 a year, and every single one is employed. Well that to me indicated that that must be a real good program, it must be a good course. The Minister may say that we don't need any Aircraft Maintenance Courses, but on the other hand, he must remember not too long ago we had to bring 60 or 70 people from England for Gimli, for the plant up there because we couldn't get them in Winnipeg. We have a very large plant in Bristol Aircraft Industry which is quite large, you have the other one, the Boeing in St. James so maybe the small course that you have in Aircraft Mechanics at Red River Community College, maybe it does serve a purpose, and instead of having 10 people in that course, you could probably have 40 and maybe every one could get a job and be making \$18,000 or \$20,000 a year, because to me, it indicates it's a pretty good salary.

The other point is as well, we see the Community Colleges Division, that the budget has increased by some 10 percent, and as well it's increased on the Universities Grants Commission as well, and still I find that perhaps the people that are getting out of the Community Colleges or the Red River Community College seem to get employment almost immediately, in fact, some of them are hired totally — if there is a class of 20, a year ago there was some firm from Toronto or two firms took total classes, everyone that graduated. I think it was in Electrical Engineering, everybody got hired. So I wonder if we are doing the kind of assessment in this area — what we're turning out from the Red River Community College — if that would not be proper to evaluate a little better and perhaps expand some of those programs because this is where, it appears to me, the opportunities are for many of our young people. If that's where the opportunities are, and they are making that kind of money that has been indicated to me by some people from there, that's maybe better than somebody coming out from university with a B.A., and showing on the application that they'd be able to start at say \$600 or \$550 a month. If somebody's without a job for awhile that's what really happens so, I know the question has been raised to the Minister on several occasions, and that's the same problems the people came to see me about, about the course, I just forget the proper terminology or proper name of the course, but I believe that it's Aircraft Mechanics or Aircraft Engineering or whatever it is, and the Minister has not been specific — it is Aircraft Maintenance. The Minister has not been specific in saying, well we're going to look and examine if there are opportunities, job opportunities there. If there are, then I feel that course has to be expanded because this is where the employment opportunities are. So I think that that's the kind of approach that we should perhaps pursue. I would like to hear from the Minister what is being done as far as Manpower Assessment is concerned in the province, are we doing proper assessment or are we not doing any assessments as far as our requirements are concerned? I'm sure it wouldn't be too difficult to at least approach some of the not necessarily maybe larger industries but even the smaller industries who have great difficulty sometimes getting the kind of personnel and people to stay open. I had a call last summer from somebody that had a pretty large machine shop and there was just no way he could get a welder in this city. Just no way he could get one. He was operating, at least he told me, with about one-third capacity because he just — you know the wages were not even relevant, it didn't matter what paper they advertised in or what he did and applied, he just couldn't get anybody. So what I'm saying, some of these small industries are employers of people and what kind of an assessment are we doing. So not only do I think that we have to sort of upgrade our courses because of new advances and new technologies, the changes that have to be taken into consideration, I think that we have to also get concerned about re-training, training and re-training because that's the present life that we're living in. That people have to re-train instead of saying, well, it's no use having this course because it will be obsolete in two years, but I think on most jobs, you'll need some kind of re-training.

As well I think that people that are in the adult education too should not be just at this stage curtailed because I think there's some of those people, the adult group, are perhaps the ones that really want to re-train, want to get more education and want to upgrade themselves and want to have better opportunities. I think all these things have to be given consideration, so I would like to have seen a higher ratio of expenditures increase in the community colleges as compared to universities because, unless my assessment is wrong, but the people I have talked to who are involved and the people who have gotten good jobs, have told me that from most courses they've been not only able to get jobs but some firms have hired total classes.

The other point that I would like to raise with the Minister, I believe it was one of the companies that located in Manitoba a year ago and applied for some engineers and I understand this company needed a considerable number of engineers and in the Industry and Commerce debates the Minister of Industry and Commerce told us that out of some 120 applications there was only one from Manitoba. Almost all of them came from outside the province and over 50 or 60 percent came from

across the line. So somehow we're not tailoring our programs to the requirement and need in this country and in this province particularly. That's not my answer. If the Minister has any doubt in my statement, I wish he would see the Minister of Industry and Commerce and perhaps he can tell him exactly — (Interjection)— what company it was — electrical engineers. University graduates. There was only a couple of applications from Manitoba and all the applications were from other parts of Canada and the majority were from across the line because they were fairly good paying job opportunities. — (Interjection)— Well, I'll have to talk to the Minister of Industry and Commerce and perhaps he will tell us, I forget the company that it was but it was in the debates last year and that's the information that he presented to us. I feel that there should be more consideration given to the training programs in our community colleges.

As well, has the Minister given any consideration to the programs of say on-the-job training and can he indicate which programs he has and perhaps we'll be more familiar with them ourselves in the House, or at least I will — where you have perhaps half a day in the schools, in the classrooms and perhaps half a day or some time on-the-job training because wherever it's been tried, it's meeting with great success and I think it's something that perhaps we shouldn't just follow the old traditional methods that have been used for many many years. We could look at what the requirements are in this province, what the needs are, do some analysis, find out what our market requirements or training requirements should be and perhaps the Minister can get the kind of information from the industry that would perhaps put him in a better position to assess the programs, assess the courses and perhaps, at least, we can satisfy the needs in this province. I have no argument if the electrical courses, engineering courses at Red River are so good that somebody else comes and hires the whole class of 30 or 40 students. That has nothing to say except good for our institution, but what I'm saying is that the opportunity seems to be there in the community colleges and I would like to hear from the Minister.

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Yes, Mr. Chairman. The first question put by the Honourable Member for Assiniboia, is what type of assessment does my department do of manpower needs in order to determine the manner in which it ought to gear itself up to to meet those needs. I would like to remind the honourable member, and this has been the practice I would suspect probably ever since day one of the existence of our community colleges, that we have had advisory committees attached to, I would think practically, if not every — I am told by my staff there is an advisory committee attached to every course consisting of representatives of government, representatives of the department, representatives of industry, representatives of labour, who keep a continuing watchdog eye on the manpower needs in their specific field and we are, to a very large extent, guided by their advice. In other words, at whatever level we operate in the delivery of any course, is pursuant to the advice from that very type of an advisory committee consisting of government, labour and management representatives. So that type of assessment is going on and in addition to that there's interdepartmental assessment of future manpower needs involving departments of Northern Affairs, Industry and Commerce, Agriculture, well practically all departments because Health and Social Development is also a very large employer of manpower and so virtually every department which is in any significant way involved in the training of manpower in the delivery of heavily manpower or labour oriented services, participates in that type of review and assessment. We look at specific occupation areas within which there is need.

We also look at not only occupation areas but also particular sectors of our community, be it a geographic sector or be it a certain socioeconomic sector of our community and also, bearing in mind the honourable member's suggestion, the desirability of providing re-training, upgrading, and in fact providing many people a second chance at employment, or for some in fact, it may be a first chance, who may have been pushed around from pillar to post as it were and never were able to get into the world of work as it were. Rather than have them continue on social assistance, and if they have talents and abilities which could be developed, which are marketable, we give them the opportunity to do so in a variety of programs which we will be discussing later on in the Estimates, particularly when we come to Resolution 44 Opportunities for Human Development and many of them fall under there, which have proceeded beyond the planning stage, but which, in fact, are presently on track. The opportunity for upgrading, it is there by our adult ABE program, Adult Basic Education Program, and other programs and other related programs, that this may lead into.

Insofar as the aircraft maintenance course, the honourable member may recall that I was asked a question on Questions before Orders of the Day, with respect to this particular program and, at that time, I did reply and this is where the matter stands at the present time, that the program, the course is presently under review. We are considering other alternatives for the offering of that course and this review, by the way, is being undertaken also in conjunction with labour and management. We're looking at other alternative ways and means of delivering the same program and there are a number of alternatives that we could consider. The alternative that we would want to select would be one which would provide people with training of this kind, with certification that would be recognized in

any part of Canada. As desirous as we may be to hang on to our graduates in the province of Manitoba, but at the same time I think it would be unfair to offer a course which leads to employment only within one geographic area of our country and not in another. So this is presently under review, with the advisory committee and with our department and, by reason of the fact that in many occupation areas it is the Department of Labour that certifies, that licenses certain employee groups. The Department of Labour is also involved in this particular review.

Now the honourable member also mentioned that it is his impression, in fact I would think that it is probably more than an impression, that he could no doubt produce evidence to show that there is a very high demand for community college graduates. It may well be that immediately upon graduation a community college graduate may be in immediate demand more than a / university graduate may be in some fields, but that at this point in time, Mr. Chairman, I think one could expect. One has to look back a number of years, about fifteen years or so or even go back a bit farther to the planning stages of our community college concept. The community colleges were established to offer programs to fill a certain particular void which existed prior to that time, prior to the institution of our community colleges, as we have them today and the courses that they offer, and I'm referring particularly to the types of courses such as the Honourable Member for Assiniboia referred to in Business Administration and in the Applied Sciences.

There is a variety of Engineering Technological courses that are being offered and this was done with a specific purpose, that is the introduction of these courses because prior to that one had the professionalist at one extreme, that is the university graduate in engineering, civil, electrical, mechanical, whatever it may be, and one had the tradesmen or the craftsmen at the other end and really very little in between to fill that void. The professional groups complained and this was more so, I suppose, on the North American continent, particularly in Canada, than in many of the European countries. The professionalist found himself spending time doing what one may call non-professional work or perhaps doing work which wasn't really making maximum use of the talents, and skills and abilities which he had developed during his course of studies at a university. But nevertheless he had to do it because the other fellow down the line, the tradesman, the craftsman, did not have the necessary skills to do that particular work, so hence the courses for the training of technologists to fill that void between the tradesman, the craftsman at one end and the professionalist on the other. The need for an individual with that type of training is still there but I think that the honourable member would agree with me that it wouldn't be wise to simply on the basis of a projection for the next number of years, if one were to say, well, there's room for thousands of technologists in this province so let's gear ourselves up to train those thousands of technologists as quickly as we possibly can because after we've trained them, four or five years down the road, then what happens? So, it will be much better to proceed in some rational, co-ordinated fashion and train as many as industry can absorb comfortably and in close consultation with industry and with the labour movement.

Now, the Honourable Member for Assiniboia also made reference to a shortage and I didn't quite understand the point he was making because he started off by speaking about a shortage of community college trained people, then he made reference to some comment made by the Minister of Industry and Commerce, about a shortage of university trained people in the field of engineering — a hundred engineers or so? — (Interjection) — Well I must confess to the honourable member that I cannot respond to that particular situation, not knowing what type of engineer it was that this particular industry was searching for at that time. It could have been someone with some particular specialized training which may or may not be offered in Manitoba, or, if it was, the demand could have arisen at some particular time of the year at which the supply of graduate engineers did not come on the market right there and then. If he was desirous to get his operation going at that time, I suppose he went to seek out engineers from wherever they may have been available in the world.

The honourable member also spoke favourably of a co-operative training program which is a sort of a mixed institutional and industrial based training. As a matter of fact we are moving in that direction on Page 37 of the Annual Report. The major development in Applied Arts was the introduction of co-operative education into the Hotel and Restaurant Administration Course which is that very type of thing which consists of a portion of the training program being offered at our community college and a portion of the training which is field-based, offered at the hotel or restaurant wherein the student may obtain his training.

I should also mention that not too long ago, within the last couple of weeks, I received a letter from the Federal Minister of Manpower indicating an interest and a desire to expand our Co-operative Education Program, and this is something that we will be discussing with him in the very near future to determine the level of funding that the Federal Government will be putting into this very type of program that would be a combination of both, as the honourable member had suggested.

MR. PATRICK: Mr. Chairman, the Minister indicates that his analysis of requirements in the Province of Manitoba has kept pretty close touch and the pulse is kept on it by his advisory committee. I would like him to indicate to me, who are the people on his advisory committee; how

often do they meet? Because, you know, there are advisory committees and advisory committees. Some of them meet once a year. That doesn't mean that they have taken a survey or anybody has making up any kind of an analysis of what the requirements are. I sit on an advisory committee myself and sometimes it meets once a year and sometimes it meets twice a year.

So if that's what he is relying on — I would like to know how often, what is the input of that advisory committee? Because some advisory committees have very little input. I'm not saying that this is the case in this case here that the Minister has indicated, but if he's relying on an advisory committee that maybe meets twice or three times a year, I don't know what input they would have and what kind of information . . . I think that you need a pretty good extensive research done to find out what are the demands and I'm not so concerned that they are going to be training strictly for local business or local requirements. I mentioned to the Minister, I don't mind if 30 students get hired by one firm from Toronto, all graduating at the same time. There's an indication that at least the institution is turning out some pretty good quality and they are able to get jobs. I think that is what we should be concerned about, job opportunities.

So if the Minister is saying he's relying totally on his advisory committee, that would immediately, Sir, concern me because I am familiar with some advisory committees and they don't meet that often and they don't have that much input.

The other point that I would like to ask the Minister as well — I do believe in very high technically skilled people. That means when I'm raising a question about people getting technical training at community colleges, this is no way disrespect that I'm knocking the other institutions, the universities. Not so, I'm just indicating, is it not true that the country of Japan perhaps today is industrialized, maybe the most industrialized of any country in the world, including the United States? And their education program has been geared strictly through their trade at colleges, on-the-job training, technical skills, and not necessarily everybody went to the university.

My question is, that every industry requires technical people, skilled people, and this is where you can get it. And the ones that are coming out, apparently are getting jobs. So that's the point that I'm raising with the Minister — I would like to know what percentage of the high school students — and I'm sure the Minister would have that kind of information — students that are graduating or leaving high school in Grade 12, how many are going directly into job opportunities, how many are entering university colleges and how many are going to community colleges in the province? I think that would give us some kind of an assessment of what's happening in the province. I would hope that the Minister has some kind of information because I know now most of the school divisions are doing this type of research themselves. So surely it wouldn't be that difficult for the Minister to get this type of information. I don't know if his department is keeping that kind of information.

All I'm saying to the Minister, not only that we will have to do training and retraining, on-the-job training programs but, as indicated, opportunity for adults upgrading themselves and perhaps getting education for the first time because they didn't have an opportunity before. I think that's one route where there is a demand, that we can turn out some of the skilled people through our institutions right here. I'm just wondering what kind of procedure or course of action the Minister has, or pipeline — what are the demands and so on? Perhaps he can explain something about that advisory committee.

MR. HANUSCHAK: Mr. Chairman, I did not wish to leave the Honourable Member for Assiniboia with the impression that I and my department are relying entirely, totally, to use his words, on the advice of advisory committees. The advisory committees are only one facet of the overall planning process within the department because there is also a staff within my department that does evaluation of existing programs; that does assess future needs; attempt to determine future needs; and does consider ways and means of meeting future needs and so forth. So it is one working hand in hand with the other.

But to answer the honourable member's question more specifically with respect to the role and function of the advisory committees, it's true the advisory committees do not meet on a regular basis weekly or every second day or every third day or every month for that matter. The reason why they do not is because they do not deal with the day-to-day operations but rather with curriculum planning, with job market demands and changes in the industry. So, really, their role is more of a long-term planning nature rather than one taking responsibility for any immediate changes which have to take place.

Insofar as any immediate variations or changes in the community colleges programming that takes place, then there is also the staffs of the community colleges which are responsible for that. Insofar as the planning and evaluation process is concerned, I would like to refer the honourable member to the mechanism which is established within the department and the resources that we draw upon to do the type of planning that we must do, under Planning and Evaluation, Page 46 in the Annual Report of my department.

Now, just simply training people in technical skills, that *per se* is not going to industrialize the

country or industrialize our province. To industrialize our province — (Interjection) — True, it helps, but it also requires the assistance at the national level and the type of philosophy and program that would contribute toward the enhancement of industrial development without our province having to provide for additional job opportunities and in turn thus create a need for the training of persons with various technical skills, whatever they may be.

The honourable member wanted a breakdown — he wanted to know what happens to the high school graduates. Well, at the present time, practically one-quarter of the Grade 12 students go on to university, about 23 percent go on to university. About 14 percent enrol in a community college course, which gives you 37 percent. Others marry, become homemakers, and the balance — (Interjection) — Home engineers, says the Honourable Member for Assiniboia — or household engineers. And the others seek employment.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I'm just wondering how to proceed here. There was some discussion of the Aircraft Maintenance Mechanics Course at Red River Community College. I had rather thought that should come under 2(c) but since the Minister has made some responses here, I wonder if we might not pursue it at this stage. It was an area in which I had one or two questions to put to the Minister.

It is, as he mentioned, a course that has had more than one enquiry made before the Orders of the Day. Mr. Chairman, the Minister suggested that there was some relationship in this course with the Department of Labour, and I'm wondering if perhaps there is a more direct relationship with the Ministry of Transport in this kind of training and that there may be some adjustments to be made with respect to the training in the college and what may be classified as training on the job.

There was reference made to the kind of co-operative ventures that had been successful in the hotel-motel staff training courses and I'm wondering if the department has proceeded with the training of aircraft maintenance mechanics by providing for part of the training in industry. I have no doubt that probably there are a number of aviation maintenance facilities operating in the Winnipeg area that probably would be pleased to receive some kind of training program that would provide them with workers who could be trained in matters of aircraft maintenance that would be in keeping with the standards laid down by the Ministry of Transport.

The alternatives of course could be that the community college could provide not only the classroom procedures but the actual on-the-job training procedures, but that probably would involve some further expansion of plant in order to provide aircraft or hangars or equipment of that type.

So perhaps the Minister could enlarge on the state of affairs at the moment, whether there has been some discussions with the Ministry of Transport on the future of this kind of aircraft maintenance training. I'm sure it is important to the aviation industry in our area. I'm sure it is important to the future growth of that industry to have an acceptable and high standard kind of course established that would be approved by the Ministry of Transport and that would assure the aviation industry of a continuing source of trained people in that particular area.

So, Mr. Chairman, really, the question I am putting to the Minister is — is the course future assured? Is it going to be carried on in a manner that is completely acceptable to the Ministry of Transport? And approximately how many trained aircraft mechanics are likely to be graduated each year from this type of training?

MR. HANUSCHAK: Mr. Chairman, I do wish to apologize to the honourable member and correct myself when I said that the Department of Labour has an interest in this particular area of training, namely the aircraft maintenance mechanics. The honourable member is quite correct, the Ministry of Transport also has an interest in this particular matter. Of course it is our wish to provide a type of training program that would turn out a graduate that would meet the requirements, the qualifications as prescribed by the Ministry of Transport to do the type of maintenance work on aircraft that one must do to maintain aircraft in an airworthy condition.

The present course is carried on partly in industry and it's making use of our Manitoba Government Air aircraft. What is being considered at the present time is expanding beyond Government Air Services and doing the very thing that the Honourable Member for Brandon West is suggesting, obtaining the co-operation and participation of other industries, and we are looking at another airline that would participate in the offering of a training program of this kind. It's our hope that by giving the students an opportunity to obtain training with another airline, gaining experience working on larger aircraft, on more varied types of aircraft, that this would meet the Ministry of Transport's requirements and would provide a worthwhile course for students enrolled in it, a much superior course than what is being offered now.

So, it is not our intention to scrap the course but rather to vary it, to change it in such a way that would result in a better course to meet the needs of the aircraft industry today.

MR. MCGILL: Mr. Chairman, then the Minister is saying that it is intended to continue the course and to bring it up to standards that are acceptable, if they are not now, and I'm not saying that they are

not. Could he tell me then if, on completion of this course, that the graduates will be able to qualify for a Ministry of Transport licence as an aircraft maintenance engineer?

MR. HANUSCHAK: That is our hope; that's our aim, yes.

MR. MCGILL: Mr. Chairman, then, annually, what is the Minister projecting as the intake of that course? How many graduates could be expected once the course is in full operation, annually?

MR. MCGILL: It's estimated that there will be a need for, and we'll be gearing ourselves up to graduate about 25 students a year.

MR. CHAIRMAN: Order please. I have allowed this debate to continue, but I think we should also bear in mind our own House Rule 64(2), the items under topic of discussion should remain continually or as much as possible under the item under discussion. The Honourable Member for St. James.

MR. HANUSCHAK: Mr. Chairman, to assist the members of the committee, I have the impression from the nature of the questions that are being asked, they are very good questions, and such that should be asked and answered during the consideration of Estimates of this department, I would like to point out to honourable members that more of those questions could be better answered under Resolution 41 not under Resolution 40 because under 41, under the Community Colleges Division we're dealing with Planning and Evaluation, and then as the issues relate to manpower needs and so forth, we have Resolution 43. What I'm saying is that it would be more appropriate under one of those two than under Resolution No. 40.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, on the point of order, I quite agree with the Minister and I prefaced my remarks by saying that this particular course had been introduced by a previous speaker and the Minister had responded so I thought we might just complete the discussion of this course even though I agree it should more properly come in the next.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER: Mr. Chairman, if you would bear with the questioning. I had sat and listened to the Honourable Member for Assiniboia discuss this subject and I understood it that we would stay on the subject to deal with it and get it over with, and I would like to raise questions on this subject at this time, if the Chair will permit it, Mr. Chairman.

MR. CHAIRMAN: Well it will be on the proviso that we do not revive this topic under Resolution 41 (c).

MR. MINAKER: Mr. Chairman, as far as I am concerned, I will not raise the subject. I cannot speak for some of my other colleagues on this subject.

MR. CHAIRMAN: It would perhaps be better under the topic which is 41(c). Resolution 40(b) Salaries \$243,800—pass; Resolution 40(c) Other Expenditures \$118,400—pass. We will leave (a) until we complete the department.

Resolution 41 Community Colleges Division (a) Division Administration (a) (1) Salaries \$919,200. The Honourable Member for Brandon West.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I would assume that the reduction here indicates a reduction in staff man years in this Division. The Minister might comment on that as well. The question of general information here might properly come under this item in respect to Capital Appropriations for Community Colleges. I wonder if the Minister could indicate what capital appropriations are being approved for this year, whether there is any construction of buildings in relation to the community colleges, whether any capital equipment budgets are set up for the community colleges, and if so how much for each college?

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: The capital requirements fall into two categories, the capital expenditures for some of the equipment of a somewhat permanent nature, and capital requirements for buildings. If the honourable member will bear with me I will have a complete detailed reply to the honourable member's question as soon as my staff can obtain it for me.

The honourable member's observation is quite correct, the difference in salaries between last year and this year under Division Administration, as I have indicated in the introduction of my Estimates, Planning and Evaluation last year was part of Division Administration, and hence those expense items were included in Division Administration. This year they are broken out as a separate item so that accounts for the reduced figure shown for this year. I thought I would be able to give the honourable member details in reply to the question on capital requirements, but I cannot at this point, but I hope to shortly.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, perhaps we can have that at a little later date. There is one item in this appropriation that was entitled Review and Development last year. We have a new item, Planning and Evaluation but what happened to Review and Development? Did it disappear or is it in some other area or some other appropriation in this report?

MR. HANUSCHAK: Review and Development by and large is within the Manpower Division now under Resolution 43, but I would think that a portion of it must be within Planning and Evaluation of Review and Development. There are two staff man years that are within Planning and Evaluation.

With respect to capital, the capital authority that's being sought for this year is \$1'189,000 broken down as follows: \$1 million for Assiniboine Community College; \$65,000 for Keewatin; and \$114,000 for Red River. The Equipment Replacement is shown under the Operating Expenditures and not under Capital.

MR. CHAIRMAN: Resolution 41(a)(1)—pass; 41(a)(2) Other Expenditures \$581,400—pass; 41(b) Planning and Evaluation (1) Salaries \$193,900—pass. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, in the explanation this afternoon the Minister mentioned the function of this Department of Planning and Evaluation, to provide accounting and quarterly examination and budgeting, and he made particular reference to the cost analysis systems. There was some point made here, Mr. Chairman, that the cost per training day in the community colleges had risen only 19 cents. That was in one year. I wonder if the Minister could give us some idea of what those actual costs were so that we could relate that 19 cents to some percentage increase in the cost.

MR. HANUSCHAK: Yes, Mr. Chairman, I want to indicate to the honourable member that that function falls more within the area of administration, you know the day to day cost control than it does Planning and Evaluation. Well I can go back about five or six years. For example 1971-1972, the training days per staff man year were \$1,286 and the net cost per training day at that time was \$2.57, and that increased over the six-year period up until last year. Last year the net cost per training day was \$5.14, and the estimated cost per training day for 1977-78 is \$5.22, and the way that this economy measure will be effective, Mr. Chairman, through a more efficient operation because I should also mention that the number of training days per staff man year had increased over that period of time. It dropped in 1972-1973, and then went back up again in 1973-1974, but anyway, there is a net increase because from 1,226 training days per staff man year in 1971-1972 during the fiscal year — well in 1975-1976 it was 1,269 training days per staff man year. In the fiscal year just ended that rose to 1,296 training days per staff man year, and it's estimated for the year 1977-1978 at 1,321 training days per staff man year. So what I'm saying, Mr. Chairman, is that despite the inflationary pressures on the one side but by running a more efficient operation on the other, one is able to balance out one with the other and thus avoid any inordinate increase in cost, but from \$5.03 to \$5.22 an increase of 19 cents which is less than a four percent increase.

MR. MCGILL: Mr. Chairman, those figures are quite interesting and they represent, based upon the way in which they are compiled, and I'm sure that there is a consistency in the way in which these have been accumulated and worked out over the past seven or eight years. It would be interesting to know if the Minister has comparable or similar cost studies for university training in Manitoba. I wonder if any such figures would be available, and if they would indicate at least for the past two years, if there has been a fairly careful control of the increase of costs and if it is below what we would consider to be the inflation rate in that period of time.

MR. HANUSCHAK: I regret, Mr. Chairman, but I do not have comparable figures with me at the moment. In fact, I would doubt very much whether one could make a meaningful comparison between a university and community college by reason of the fact that, well particularly a university which has a fairly extensive post graduate program, which is engaged in a fair amount of research work, a university which offers programs wherein the enrolment may not be all that large and so forth, in courses when the enrolment may not be that large, that coupled with the fact that many university courses are by their very nature much more expensive. For example, if one were to look at the faculty of Medicine, Dentistry, well practically all of the professional schools, if not all, but certainly Medicine, Dentistry, Engineering, Architecture, possibly two or three others that are quite expensive to offer by reason of the equipment that they require, and the highly skilled personnel that they require and so forth. So therefore, I don't know if we could do any sort of a meaningful comparison. I would think, this is just off the top of my head, I would think that the university costs per training day would no doubt run much higher most likely for the reasons that I have just mentioned.

Secondly I'm not quite certain whether that type of detailed information would be available to myself as a Minister of the Crown, as a Minister of the Department by reason of the very structure of government and its relationship vis-a-vis Universities Grants Commission the universities and the in between having certain statutory responsibilities to discharge. So I would not want the honourable member to be too optimistic in my ability to obtain that type of information for him. It may be available, I'm not saying that it is not. I know that I do not have it, but whether or not I will be able to get it, I'm not quite certain, and even if I could, one has to be mindful of the differences between a university and a community college.

MR. MCGILL: Mr. Chairman, my point in suggesting that these figures would be interesting if obtainable for university training as they are now obtainable for community college training, was not that they would be in any way comparable in terms of costs. I quite understand that the kind of university courses that are offered and those very expensive courses would make the cost per

training day really not comparable with this. But what I would like to be able to compare would be the percentage increase in the cost per training day from one year to the next, and that I think would be of some interest and have some bearing upon the relative efficiencies and the rate of increase of these costs. So that if, when we reach the appropriate item for universities, if any such figures could be obtainable. The Minister points out that there is a problem of the arm's length relationship of the department with the universities themselves through the Universities Grants Commission, and that may certainly complicate the work of producing such figures. Nevertheless it simply occurred to me that these would be useful to the committee if they could be achieved.

MR. CHAIRMAN: The Honourable Minister.

MR. HANUSCHAK: As I indicated to the honourable member a moment ago, I will attempt to obtain this type of comparison. I'm sorry I misunderstood the honourable member the first time around. As I understand it now, he is interested in obtaining some figures to show the percentage increase from last year to this year. Well, I will try to obtain that information. I don't know whether the university does its bookkeeping on that basis or not. If it does, then I would think that that type of information might be readily available but whether I'd be able to obtain it for the members of the committee will depend upon the ease with which the university will be able to obtain that data and/or the length of time that the committee would wish to spend on my Estimates. But at any rate, I would like to assure the honourable member that if I should not be able to obtain a comparison on this basis, we will try to find some way of indicating to the honourable member how the costs of last year compare with the costs of this year, in some meaningful fashion, even if it is not in identically the same manner as we've done it here.

MR. CHAIRMAN: Resolution 41(b)(1) Salaries \$193,900— —pass; Other Expenditures \$33,100— —pass; Resolution 41(c) Red River Community College (1) Salaries \$11,788,900. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I wonder if the Minister can confirm — if I understood the Minister correctly in his earlier statements regarding the Aircraft Maintenance course at the Red River College, am I correct to understand the Minister that it is the intention of his department to continue this course at Red River College? Further, is it the intention of his department to achieve the MOT accreditation for the course?

MR. HANUSCHAK: It is the intention of my department to continue the course but it is our hope and wish to bring it up to MOT standards, and to bring it up to MOT standards we may have to take all or a portion of it out of the college and into some industry. Manitoba Government Air Services didn't meet MOT requirements. We're negotiating with others. So the course will be continued and no doubt Red River Community College will be involved in the delivery of it. My department will be involved in the delivery of it, but it may not necessarily be offered at the place where Red River Community College is located.

MR. MINAKER: Mr. Chairman, I wonder if the Honourable Minister could advise if the course will be continued at the present rate that it is provided to the students at Red River College or does he intend to improve the quality of the course?

MR. HANUSCHAK: Well, insofar as the quality of the course is concerned, one of the problems right now, as I had indicated previously, is that it does not measure up to the Ministry of Transport standards, and the intent is to bring it up to that level. So that answers that question. I'm not quite certain whether I understand the question posed by the honourable member because he asked me whether it's our intention to continue at the same rate. Now, is the honourable member referring to the intake of students, number of students. If it's the number of students, then it would likely increase somewhat because, at the present time, as I have mentioned, our goal is 25. At the present time the enrollment is something less than 25; I think it's about half of that, 12 or 13.

MR. MINAKER: Well, Mr. Chairman, I can refresh the Minister's memory. I have had correspondence with the Honourable Minister on this subject because one of my constituents is a member of the course this year and I had the opportunity, along with the Honourable Member for Fort Garry, to be invited by the students in the course to attend a meeting that was called on March 9th this year because the students were concerned on whether, in fact, the course was even going to continue this year. Mr. Chairman, I can tell you at that meeting that it was very clearly said by the MOT representative that there would be no way that the course would get accreditation by going out to an industry on the proposal that was made by the representative the Minister had there at that time, I think it was Dr. Blauer.

I think if the Minister is under the impression that by going out to industry to try and develop some kind of a rapport between industry and the education system, that that will not be the answer of getting an MOT accreditation. I think it was very clearly put that because of the quality control and the specifications that MOT puts on accreditation of this type of course, that the college has to make something like over \$100,000 capital investment in order to achieve this. And this is why I am asking the Honourable Minister, is his department prepared to make this type of capital investment in order

that the course becomes accredited by MOT? I know that the Doctor asked at that time, "Well, can't you do something special for Manitoba?" Well, you know, I was surprised the Doctor would even ask that question because airplanes just don't fly over Manitoba, they fly everywhere and obviously you have to have the certain quality of mechanic to service the aircraft.

Mr. Chairman, the worst thing that I could see happening was — why the course was falling down was because the instructor, who had been sticking his neck out for the last two or three years getting an aircraft so these students could service it and taking the risk that when they serviced the aircraft, nothing responsible or damaging would happen to it. He said this year, putting it bluntly, "To hell with it". He wasn't going to take the risk any more and as a result, all of a sudden the students didn't have anything to do other than the basic teachings of courses that they had, but no practical experience. And then there was some type of an arrangement tried to be made out with the Manitoba Air Services to try and accommodate something for these students. But I think, Mr. Chairman, this is an example of this government's attitude toward education. Not only in universities, not only in the grade schools, but here again in the Red River College where they have an idea that, "Yeah, it'll be a good thing, let's do it." But there's no money, there's no guidance from up above on how they're going to achieve this, so the teachers and the students try and do it.

I say, Mr. Chairman, that this is the wrong approach because the Minister said there was something like 12 students. I believe there was something like 19 to begin with and some of them left because they didn't know even if the course was going to continue through the year. They didn't know whether the instructor was going to stay because the instructor didn't know whether the course was going to be continued. But worse, Mr. Chairman, we had students that were probably working. In fact, one of the students indicated that he was earning something like \$14,000 a year and he gave up the job — was a heavy equipment operator — because he wanted to get into that particular field. So, if you look at the factor with some 12 students there that had given up their salary for the year or a major portion of it, they in an accumulative mass had probably given up \$100,000 worth of earning — how many times has that happened through the last six or seven years that this course has been going on? Yet, this department will not make that commitment to decide to spend that kind of capital so the course can be accredited. Not only that, they won't make the decision that when a student goes into this, that he will in fact get proper instruction for the year and at the present time the students of this year's course are getting short-changed and they have given up, personally, a pretty big commitment in terms of earning power, and yet we know when these students graduate there is a job for them.

Mr. Chairman, this is why I am asking the Minister, does he fully appreciate what he's saying when he says the course will continue? And this is what I asked him, will it continue in the same manner that it is now, that a professor or an instructor has to stick his neck out on the line, arrange to get an airplane that the students can service. Is it going to continue on the same line, that they don't know whether there's going to be an instructor next month to continue through the year; that they are going to get the proper training so that when they go out to Bristol or Air Canada or one of these particular companies, that they'll be accepted. At the present time they are being accepted, and the advisory committee that was there at that meeting very clearly put it that there is a demand for this type of a graduate student; in fact, this particular advisory committee had recommended that the course be continued. It recommended that it get MOT accreditation. I hope the Minister realizes that the accreditation will only occur when there is adequate money spent, capital money, and space required to service these aircraft, then it will get MOT accreditation, but it is my understanding from the MOT representative that was at that meeting there was no way the course would get accreditation by trying to go out to industry and work hand in hand.

MR. HANUSCHAK: Mr. Chairman, the honourable member said that this was an example of something or another; the honourable member was speaking on the basis of information which he had received several months ago, and a letter which he had written to me that I received last fall, October-November, about that time. I don't know whether the honourable member was in the House earlier this evening or not when we discussed this matter, but at that time I believe that I answered the concern which the honourable member expressed.

Now, will the course that is presently being offered be continued? To answer the honourable member's question literally, my answer is no, it will not be continued. There is no reason why we would want to continue it because I told the committee a short while ago that discussions had taken place involving my department, the Department of Labour and the Ministry of Transport, and the intent is, and I had indicated to the committee that this is what is going to happen, that a course will be designed and will be offered to meet the Ministry of Transport requirements and standards. These discussions had taken place and the Ministry of Transport is now satisfied with what we propose to do, that in terms of equipment the students will have access to — be it ours or be it the property of some other airline — that it will be such that will provide the students with the type of training, the type of experience that would enable the students to measure up to the Ministry of Transport standards. So, the course for the training of aircraft mechanics will continue and it will be re-structured in such a manner that it would meet the Ministry of Transport's approval and thus it will be

offered.

Now, with respect to the students presently enrolled in the course that is being offered, I don't accept the fact that it is an entire waste of time. I'm certain that it does enable the students to develop certain skills which could be applied to the servicing and maintenance of some types of aircraft, perhaps some smaller aircraft. I'm not an expert on aircraft maintenance. I'm sure that there are other honourable members in this House who have had more experience or more contact with this area of activity than I have. But I would think that this would provide them with certain marketable skills in some particular areas, perhaps not as broad a range of marketable skills as an upgraded course would offer, but the students presently enrolled were told at the very beginning that this course, while it does offer them a certain type of training, that that training does not measure up to the Ministry of Transport standards. But again I would like to repeat, for about the third or fourth time this evening, a statement which I have made a couple of times before the honourable member entered the Chamber, that the course has been revised and in close consultation with the Ministry of Transport and that a course will be offered that will meet with their approval.

MR. MINAKER: Thank you, Mr. Chairman. I wonder if the Honourable Minister could advise when in actual fact that revision took place and when these discussions took place?

MR. HANUSCHAK: I cannot give the honourable member the exact date or hour when that meeting took place. I do know that the discussions were ongoing, extending over a period of time. I am aware of the fact that the discussions have been finalized, that there is agreement from the Ministry of Transport that the course that we propose to offer will be acceptable to them. Whether that was finalized yesterday, or the day before yesterday, or some day earlier this month or last month, I'm sorry I cannot answer that question at this point in time. If it's a matter of interest to the honourable member to know the exact date when the seal of approval was given by the Ministry of Transport, I'm sure I can obtain that information for the honourable member but I doubt that I could obtain it tonight.

MR. MINAKER: I wonder if the Honourable Minister can advise if these discussions in final agreements took place following March 9th of this year?

MR. HANUSCHAK: They well may have. I'm sure that there were discussions prior to March 9th and there may have been discussions following March 9th.

MR. MINAKER: Mr. Chairman, I wonder if the Honourable Minister would advise us how many dollars he has in the budget for this new course, in this year's budget?

MR. HANUSCHAK: If the honourable member would give me a couple of minutes, I'll find that information for him.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, we've had a number of questions on this Aircraft Maintenance Mechanics course and I think I followed the discussion. I just wanted to be certain that I understood the Minister on one point. He says this course will continue, at a scale and under conditions that are acceptable to MOT. Did he assure the committee that the course would continue under those circumstances and under those conditions this fall?

MR. HANUSCHAK: Yes, we intend to proceed with it this fall. The operating expenses for the rental of hangars and so forth, \$13,700, insofar as the equipment budget is concerned, that is still under review.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: I wonder if the Honourable Minister could elaborate on his statement that the equipment moneys is still under review. Is it the intention of the Honourable Minister to insert a value to be spent this year on equipment for the course that will take place this fall?

MR. HANUSCHAK: I'm sorry, Mr. Chairman, I missed the last part of the honourable member's question.

MR. MINAKER: In plain English, is it the intention to include moneys in this year's budget to be spent this year for the course that the Minister says will take place this fall? When one talks about reviews, one can review and not necessarily include any dollars in this year's budget.

MR. HANUSCHAK: No, Mr. Chairman, the funds will have to be found in one of two ways. It could be through a transfer of funds from another appropriation where for any number of reasons we may find that we may end up with somewhat of a surplus. Or it could be special warrants.

But one of the matters that is still under negotiation at this time — and this is the reason why I cannot attach a fixed price tag or a definite price tag — is because discussions are still under way with the Federal Government with respect to the question of paying for the equipment. Those negotiations have not been finalized. The commitment to offer the program is there.

MR. MINAKER: I wonder if the Honourable Minister can advise, does his department have an objective date at the present time and what date are they aiming for to have this course have MOT accreditation?

MR. HANUSCHAK: Whatever the date is for the opening of Red River Community College this fall, that is the date. It normally opens shortly after Labour Day.

MR. MINAKER: If I understand the Honourable Minister correctly, and I hope he will confirm that I

understand him correctly or otherwise, he is saying that the course will have MOT accreditation by this October?

MR. HANUSCHAK: I'm sorry, I missed the honourable member's question.

MR. MINAKER: Mr. Chairman, I asked the Honourable Minister what is the date that his department is aiming for that the course will have MOT accreditation, and if I understood the Minister correctly he said it would be this fall on October 1st when that course opened.

MR. HANUSCHAK: My understanding is that the MOT is satisfied with what we plan to offer. So I would assume that the MOT accreditation is virtually there.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I mentioned earlier that I was having difficulty in reconciling the recent enrolment figures that the Minister gave us this afternoon with those which he gave us last year. Perhaps this might be an appropriate time to bring that chart up-to-date that we got from him in the Estimates last year. They were listed as full time day students for Red River, Assiniboine and Keewatin and evening school program enrolments. We had them for the year 1974-75 up to 1976-77. I wonder if the Minister could give us figures that compare for 1977-78.

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Yes, Mr. Chairman. For 1975 at Assiniboine Community College, day courses, 2,161 students; evening courses, 2,962 students, for a total of 5,123.

For the year 1976— this by the way is for the 1975-76, when I gave the 1975 figures that would have been for the 1974-75 school year and the 1976 figures would be for the 1975-76 school year. So for the 1975-76, Assiniboine Community College, day courses, 2,407 and evening courses, 2,533, for a total of 4,940.

I'm sorry, Mr. Chairman, let me take a second run at this. These figures are on a fiscal year basis, they are not on the school year basis — on a fiscal year basis. For the fiscal year of 1975-76, Assiniboine Community College day programs, 1,997 students; night school programs, 3,539. This chart does not show the total on a per college basis.

For Red River Community College for the same year, day students 9,443; evening, 11,710.

Keewatin, day students, 1,738; evening 5,041, for a total number of day students for 1975-76 at the three community collegés, 13,178 and total evening school students for 1975-76, 20,290, for a grand total of 33,468.

Then for the fiscal year just ended: Assiniboine Community College day students, 3,469, evening, 1,679; Red River day students, 9,386, evening, 13,056; Keewatin day students, 1,801, evening 1,539, for a total of 14,656 day students, and total evening school students, 16,274, for a grand total of 30,930.

Then what is estimated for the fiscal year 1977-78: Assiniboine day students, 3,460; Red River, 9,752 and Keewatin, 2,025. Those are day students. Evening school, Red River, 14,000; Assiniboine, 2,100; Keewatin, 1,645, for a total of day students equalling 15,237. Total evening school students, 17,745, for a grand total of 32,982.

MR. MCGILL: Mr. Chairman, I still have some difficulty. I wonder if the Minister or his staff would check the figures he gave us last year under these headings. I can't relate the ones that you were giving me just now with those that I found in Hansard for last year as being the enrolment figures for full time day students. It's conceivable that some adjustments were made to those figures since they were given to the committee last year. The new figures of course I assume are given on the same basis as previously, but there is a difference in the figures that you repeated for me.

MR. HANUSCHAK: Is the honourable member referring to the 1976-77 figures that I gave last year?

MR. MCGILL: Yes. Mr. Chairman, you gave us for three years last year and I was attempting to place the fourth set of figures in to compare with them, but when you gave us previous figures they didn't compare exactly with those which you gave us last year. So I wonder if you'd just review the figures that were given in Hansard last year and see if there's some adjustments to those figures for this year. I would like to insure that we're getting exactly a comparative report on this.

MR. HANUSCHAK: Yes, Mr. Chairman, I'd be happy to do that for the honourable member either later or the next time the committee meets. Although I would like to point out that if there's any discrepancy in the 1976-77 figures, then last year it would have been an estimated figure. But I'll check back in Hansard. The 1975-76 figures should have been the same. But there likely would be a difference on the 1976-77 because last year it would have been the estimated figure.

MR. MCGILL: Mr. Chairman, just to pursue then the discussion of the courses offered at Red River, there has been a change there of the Heavy Equipment Operators course. I wonder if the Minister would indicate the date on which this course is being transferred, if in fact that is occurring. I understand that there is a course at Red River Community College — or there has been a course — for heavy equipment operators. There also has been one at Keewatin. Is it now the intention of the department to combine those two courses and what will be the effective date of termination of the course at Red River for heavy equipment?

MR. HANUSCHAK: The change will occur in September.

MR. MCGILL: Will this mean then, Mr. Chairman, there will be a reduction of staffing at Red River, or is there some other course that will be taken on to fill that vacancy?

MR. HANUSCHAK: Well, insofar as that program is concerned, yes, there will be reductions in staff. Yes.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, can the Minister indicate to the House if that course has been successful and are we cutting down or what's happening? Because my information is — and I've talked to quite a few contractors and road builders in the province — and the biggest difficulty they have and the problem they have was getting any people that can operate some of those big machines and big equipment. No. 1, they know so little about them. They cost so much money and they just can't get anybody off the street to go and drive this great big equipment. Even people that could read instructions and so on would probably find difficulty and I just wonder how successful has it been? Are the people getting jobs? Because my information is that the greatest difficulty the contractors and the road builders and people in heavy equipment have is they just cannot get any help in the province.

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Well, in the first place there is a problem. It's not the easiest course to match up suitable manpower with the demands of the course, that is true. Then in addition to that many of the trainees for the course — and this is deliberate on our part — to not only provide trained manpower but also to provide employment opportunities for the disadvantaged. If one enrolls a person whose background in mechanics may have been somewhat limited it does require additional effort on the part of the trainer, the teacher, on the part of the student, and I suppose a bit of patience on the part of the employer to eventually develop him into a productive heavy equipment operator.

Now by combining the two into one, and this is one of the reasons for doing that, with the hope of being able to provide a somewhat enriched course and provide the additional training for the heavy equipment operator trainees in order to turn them out of the school being able to operate properly the equipment that they're trained to operate.

MR. PATRICK: How many came out of that course last year or the year before? Are they all getting jobs? Because I have real good information and I discussed it with quite a few contractors and road builders and the information that at least has been supplied to me is that this is the biggest difficulty, getting anyone. Perhaps maybe the Minister's right. Some may just be coming out and may not be able to operate a machine that's worth \$150,000 or \$80,000, and may need more. What has been the track record? Let's hear if these people are getting jobs? What kind of training, is it a year, is it a six-month course, or what is it?

MR. HANUSCHAK: The employment market for heavy equipment operators has weakened in the past while. So their track record in finding jobs is not as good as it used to be. But if there is a problem in some contractor finding heavy equipment operators, well, this is certainly something I would want to check into.

MR. MCGILL: Further to the discussion about the heavy equipment operators course and the combining of the course with Keewatin, I ask the Minister if this will result in a reduction of staff? Isn't it likely that Red River will be operating another course, be offering a truck drivers course and wouldn't that provide a continuity for staffing and so forth? Will there not be probably a greater enrolment rather than a lesser enrolment if a truck driver training course is offered at Red River?

MR. HANUSCHAK: Yes, the honourable member is quite correct. In that particular program there will be a decrease, but the net result may not necessarily reflect the decrease because, well, as the honourable member had mentioned, the truck drivers course, which will require additional staff.

So I think perhaps one should really look at the total staff man year count at the community colleges for this year as compared with last year. My recollection is that the staff man year count in instructional staff will not vary all that significantly. In fact, yes, at the community colleges, the staff man year count will remain exactly the same at all three community colleges. Red River Community College has 677.16; Assiniboine Community College, 142.26; Keewatin, 143.47.

You see, following from the amalgamation of the two courses to bring them into one school, all that really will result in is a reduction of a staff man year count of two at Keewatin. Then through expansion in other programs, the net figure remains the same.

MR. GREEN: Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Flin Flon.

MR. BARROW: I beg to move, seconded by the Member for St. Matthews, that the report of the

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Committee be received.

MOTION presented and carried, and the House adjourned until 2:30 p.m. Wednesday.